



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

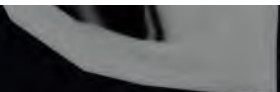
We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

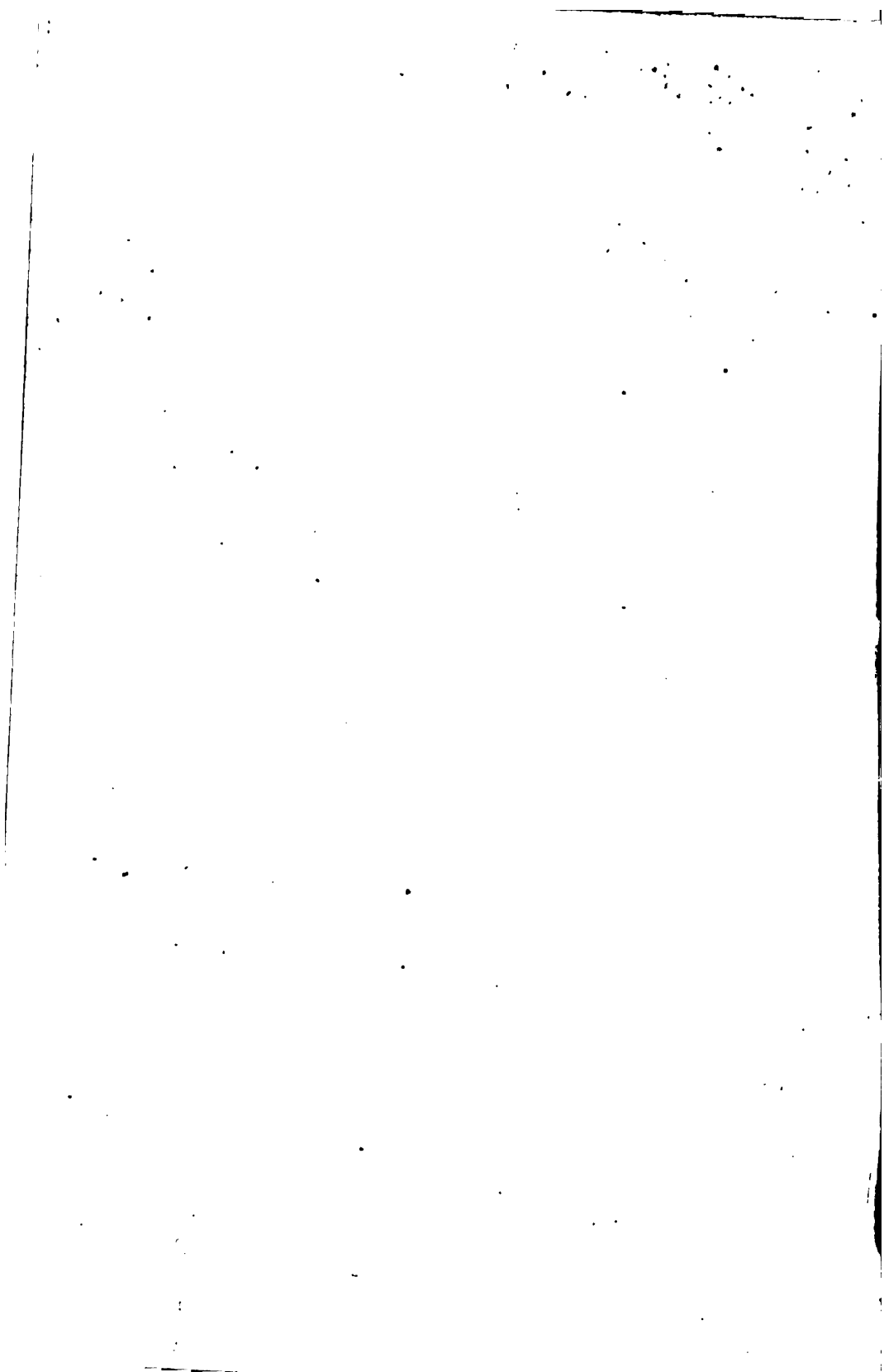
About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>









FREE TRADE AND PROTECTION.



FREE TRADE

AND

PROTECTION.

AN INQUIRY INTO THE CAUSES WHICH HAVE
RETARDED THE GENERAL ADOPTION OF FREE TRADE
SINCE ITS INTRODUCTION INTO ENGLAND.



BY
HENRY FAWCETT, M.P.,
FELLOW OF TRINITY HALL,
AND PROFESSOR OF POLITICAL ECONOMY IN THE UNIVERSITY OF CAMBRIDGE.

London:
MACMILLAN AND CO.
1878.

[The Right of Translation and Reproduction is Reserved.]

232. e. 448.

LONDON :
R. CLAY, SONS, AND TAYLOR, PRINTERS
BREAD STREET HILL.

P R E F A C E.

IN the autumn of last year I delivered at Cambridge a course of Lectures on Free Trade and Protection. One of the chief objects I had in view was to endeavour to explain the causes which have retarded the progress of Free Trade, and which have enabled Protectionists still to occupy so strong a position on the Continent, in America, and in many of our Colonies. I first thought of publishing these Lectures almost in the form in which they were delivered; but I afterwards came to the conclusion that it would be better, for many reasons, to adopt a different arrangement, and I have consequently divided the book into six chapters.

I have had occasion frequently to refer to Mr. Frederick Martin's *Statesman's Year Book*, and I have also derived great assistance from the admirably-arranged *Statistical Abstracts* which are published annually by the Board of Trade. Whenever I have required additional information bearing on the subjects to which these Abstracts refer, it has always been most readily supplied to me by two

gentlemen holding official positions at the Board of Trade—Mr. Edwin J. Pearson, and Mr. Robert Giffen, the well-known economist and statist. I desire here to acknowledge their kindness, and to offer them my sincere thanks.

I also wish to say how much I appreciate the assistance I have derived from my wife, who has revised the book as it was passing through the press, and from my Secretary, Mr. F. J. Dryhurst, who has not only acted as my amanuensis, but who has constantly aided me in various ways, and has prepared a summary of contents, which I believe will prove useful for purposes of reference.

May 1878.

SUMMARY OF CONTENTS.

CHAPTER I.

INTRODUCTORY REMARKS.

THE expectations, formerly entertained in this country, that the example of England in adopting a free-trade policy would be followed by other nations, have not been realized.—Nothing is more likely to retard the cause of free trade than to under-rate the strength of the opposition to it, and to ignore the arguments of its opponents.—The adoption of free trade in England was hastened by the fact that protection was most strictly carried out with regard to agriculture, and consequently its most obvious result was the rise in the price of food ; while, in other countries, protection is almost entirely confined to manufactured products.—The abolition of protection may cause much suffering and loss to those employed in the industries which have been brought into existence through protection.—This loss corresponds to that which is caused to workmen who possess special manual skill in any handicraft, if the necessity for their labour is superseded by the invention of a machine.—The motives which have prompted the opposition to the introduction of free trade in America and other countries are analogous to those which have led workmen employed in certain trades to resist the introduction of machinery.—The adoption of protectionist principles in the Colonies has been encouraged by the opinion expressed by Mr. Mill, that the imposition of a protective duty, with the view of promoting a new industry in a recently-settled country, may be justified as a temporary expedient.—Protection in the Colonies has also been promoted by the fact

that the gold discoveries in Australia attracted thither large numbers of operatives and artisans from England, who, finding gold-digging to be less remunerative than they had anticipated, welcomed any proposal to establish, by the aid of protective duties, those industries to which they had been accustomed.—The industrial prosperity of England not entirely due to her adoption of a free-trade policy.—Among other causes, the development of our railway system and fiscal reform have contributed to bring about this prosperity.—Other arguments are necessary to advance the cause of free trade besides the appeals which are continually made to the growth of trade and accumulation of wealth in England.—The benefits conferred by free trade are apparently still imperfectly understood in England.—Some of the strongest supporters of free trade not unfrequently display a tendency to favour some form of industrial restriction.—This tendency has been recently illustrated by the disposition shown by English workmen to resist the introduction of foreign labourers into this country.

Pages 1—16

CHAPTER II.

PROTECTION.

PART I.—*Bounties on Exports.*

Protection has been in recent times supported with the object of giving assistance to home industry, and has been chiefly carried out by giving bounties on exports and imposing restraints on imports.—The system of encouraging exports and discouraging imports was a product of the mercantile system, and was originally adopted with the object of securing a "favourable balance of trade."—Protection is now chiefly carried out by imposing import duties; bounties on exports are, however, occasionally granted at the present time.—Formerly, bounties on exports were as general in England as protective duties on imports.—The effect of the bounties on the export, and restraints on the import, of corn which formerly prevailed in England.—Examination of the effects produced by the bounty given on the export of sugar from France.—This bounty simply enables the English people, and

others who use French sugar, to purchase it at considerably below cost price; the reduction in price approximating to the amount of the bounty.—The only class who can permanently profit from any particular produce being made artificially dear are the owners of the land on which the produce is grown.—Reasons against the proposal of the English sugar refiners that they should be protected against French competition by the imposition of an import duty equivalent to the amount of the bounty.

PART II.—*Restraints on Imports.*

The difference between an import duty imposed for purposes of revenue, and one imposed to protect home industry against foreign competition.—The import duties levied in England have no protective influence.—The home trader enjoys a kind of natural protection in his own market as the cost of carriage is less in the case of home than in that of foreign produce.—It is important to distinguish between the effect exerted by a protective duty in the country in which it is imposed, and its effect on the countries from which produce subject to the duties is imported.—The consequences of the protection formerly given to agriculture in England.—It was generally supposed that the continuance of high prices secured industrial prosperity, and it was consequently thought that the profits of all concerned in the cultivation of the land increased with the growing dearness of agricultural produce.—Protective duties were not simply imposed on corn; live stock, fresh meat, and various other articles were excluded altogether from our markets.—Attempts were made to encourage the growth of British wool and flax by placing difficulties in the way of the manufacture of cotton in England.—The enactment of the Corn Laws after the fall in prices consequent on the peace of 1815.—The evils associated with the sliding-scale.—The influence exerted by protection in England upon the classes concerned in agriculture.—The farmers derived no benefit from the high prices of agricultural produce, as each rise in prices immediately led to an increase in rents.—Between 1815 and 1845, when the Corn Laws were in operation, agriculture was in a state of exceptional depression.—Meeting at Colchester, July, 1843.—Speech of Mr. Cobden, by which many tenant farmers were convinced they had been injured by the Corn Laws.—Deterioration in the condition of the agricultural labourers.—Although protection led to an increase in the price

of agricultural produce, the competition of capital seeking investment prevented the farmers gaining more than the normal rate of profit.—The depression in agriculture, though to a considerable degree brought about by the undue extent to which rents were raised after the passing of the Corn Laws, and also by the operation of the old Poor Law, was mainly owing to the fact that the dearness of food consequent on protection diminished the productiveness both of labour and capital, and led to a decline in profits and wages in all industries, including agriculture.—The stagnation of English trade during the existence of protection. — The general distress at the time of Sir Robert Peel's accession to office in 1841.—The competition of the general labour market renders it impossible for the labourers employed in protected industries to secure higher wages than those employed in industries which are not protected.—The only class that can derive benefit from protection are the owners of the land from which the products, such as wheat, coal, iron, &c., that are made dearer by protection, are obtained.—This conclusion not disproved by the fact that the rent of land in England has not declined since protection was abolished; many causes, such as the improved administration of the poor law, and the increased demand for food, consequent on the increase of population and the general development of trade, have served to maintain the value of land at its former rate *Pages 17—47*

CHAPTER III.

FREE TRADE AND RECIPROCITY.

The economic advantages produced by free trade are the same, whether the exchange of commodities is between different countries, or between different parts of the same country.—Examination of the argument that, although interference with the freedom of trade between different parts of the same country would be indefensible, protection may be expedient, when it is confined to restricting the importation from other countries of articles which come into successful competition with those of home production.—Protective duties produce the same effects, whether the industry of any particular locality is protected

against home or foreign competition ; in support of this conclusion the question considered, Whether it is less advantageous for the people of France to trade freely with Alsace and Lorraine at the present time, than it was before these provinces were annexed to Germany.—Supposing protective duties to be imposed on articles imported from Alsace, it may be argued that the French people would be compensated for the loss resulting from their having to pay higher prices for these articles, because a new industry would be brought into existence in France. This however implies that some branch of trade is being carried on in a locality where the labour and capital employed in it do not yield the maximum results.—Although the French may urge that, as Alsace is now a part of Germany instead of a part of France, it would be to their advantage to injure Alsace, the economic loss to France of discouraging some industry most suited to Alsace is the same whether Alsace is, or is not, part of France.—Protection only defensible on the supposition that it is advantageous for a country to make pecuniary sacrifices in order to injure the prosperity of its neighbours.—Consideration of the alleged impolicy on the part of England in permitting foreign countries, which impose protective duties on her products, to send their goods freely to her markets.—English trade is more severely injured by the American than by any other tariff, the protective duties imposed in the United States being largely in excess of those levied in any other country.—Examination of the proposal that England should retaliate on America by levying import duties on American goods. The exports of manufactured articles from the United States to England are so small, that England could only produce any practical effect on American trade by imposing duties on the various articles of food and raw material imported from America. Any loss we could inflict on America by such a policy would be trifling, in comparison with the loss we should inflict on ourselves.—The argument that retaliation may be carried out when an article imported from some country that maintains protection comes into competition with an article of the same kind produced at home.—The alleged injury to English trade arising from the importation of iron from Belgium.—Further examples to show that it is impracticable for England to carry out a policy of “reciprocity.”—The effect that would be produced by the adoption of a policy of “reciprocity,” if it were possible to carry it out.—A policy of “reciprocity” would aggravate the present depression in English trade *Pages 48—73*

CHAPTER IV.

THE ARGUMENTS OF PROTECTIONISTS.

The arguments advanced in support of protection by its leading advocates in America, in the Colonies, and in various Continental countries, considered in detail under the following thirteen heads :—

1. Protection is desirable, especially in a young country, because it secures diversity of industry *Pages 76—81*
2. Protection, by encouraging various branches of home industry, makes a community less dependent on foreign countries *Pages 81—85*
3. American protectionists assume that the cost of carriage is paid by the exporting country ; and they therefore argue that America would be placed at a disadvantage if she imported all the manufactured goods she wanted in exchange for raw produce, which, being more bulky, is more expensive to export *Pages 85—87*
4. The home manufacturer, having to pay taxes which are not paid by his foreign competitor, must be compensated by protection *Pages 87—89*
5. Protection is advantageous, because it encourages home trade and discourages the trade of foreign countries . *Pages 89—93*
6. It is asserted that protective duties are paid by the foreign producer ; consequently, home industry is encouraged by them, and the trade of foreign countries is injured . . . *Pages 93—97*
7. As profits and wages are not higher in protected, than in unprotected industries, protection is not open to the charge that it benefits a special trade at the expense of the general consumer *Pages 97—98*
8. Protection is advantageous, because if a country obtains its produce at home, instead of importing it from a distance, the labour employed in transporting it is saved ; and this labour is assumed to be unproductive *Pages 98—99*
9. Protection is represented as benefiting the workmen employed in the protected industries in America, because they earn higher wages than are paid in the same industries in England *Pages 99—103*
10. Although protection is indefensible, if only one industry is protected from foreign competition, a policy of restriction is justifiable if the entire industry of the country participates in its advantages *Pages 103—105*

11. Protection is defended on the ground that wages are higher in America and the Colonies than in England; traders in those countries require protection in order that they may be placed in a position of equality with their English competitors *Pages 105—108*
12. Protection, having been established, cannot be abolished without loss both to employers and employed in those trades which are protected *Pages 108—109*
13. Protection can be advantageously introduced in a young country as a temporary expedient, since various industries which will ultimately prosper without protection require its aid in the early stages of their existence *Pages 109—119*

CHAPTER V.

COMMERCIAL DEPRESSION.

The confidence felt in England in the advantages of a free-trade policy having increased with the growth of English prosperity, and been mainly supported by appeals to that prosperity, the present depression in trade has produced a disposition among some persons to lapse into the fallacies of protection.—In a similar manner, depressed trade in America has led many of the advocates of protection in that country to doubt its efficacy to secure commercial prosperity.—The strength of this change of opinion shown by the proposal of the new tariff.—A comparison of the commercial position of the United States and of England, respectively, shows that this country has no reason to waver in its adherence to a free-trade policy.—The greater severity of the depression in trade in America, in spite of the greater natural advantages of that country, is shown by the fact that the emigration from this country to America is now hardly, if at all, greater than the emigration from America to England.—Evidence to show that the present commercial depression has produced much more serious effects in America, with its protectionist tariff, than in free-trade England.—The fears that have been lately expressed in this country at the large excess of imports over exports, considered.—This alarm has been increased by the fact that in no other country is there any great excess of imports over exports, while in the United States the exports considerably exceed the imports.—The excess of imports in England to a great extent due to the fact, that in the statistical

tables of English trade, the value at which any article imported is estimated includes the cost of carriage and the profit of the importing merchant ; whereas, in estimating the value of the exports, both the cost of carriage and the profit of the exporting merchants are excluded.— This fact to a considerable extent accounts for the excess of exports over imports in America as compared with the excess of imports over exports in England.— This excess of imports in England is also owing to the circumstance that no other country has so large an amount of capital embarked in foreign investments.— The dread expressed in England on the subject is probably a survival from the Mercantile System.— The excess of imports over exports in any country may be regarded as a measure of the extent to which it is a creditor of other countries.— That the excess of imports over exports in England is due to the circumstances before explained, is shown by the statistics of the English exports and imports of bullion and specie in recent years.— Although it is impossible to doubt the existence of very severe depression in many branches of English industry, there is reason to believe that the effects of the depression in trade in this country have been exaggerated, and that they are considerably greater in protectionist countries, such as America.— The increase in the English importation of articles of general consumption, such as tea.— A consideration of the effects produced by industrial activity, in some special trades, on the general body of the people.— The exceptionally high profits prevalent during the activity in the iron and coal trades, a few years since, were obtained at the expense of the general community.— The price of coal having, in consequence of the present industrial depression, fallen to its former level, the country has been relieved of a serious burden.— This relief to the general body of the people may be regarded as some compensation for the losses brought on certain special classes by the present depression in trade.— From the continuous decline in pauperism, the maintenance of the Savings Banks deposits, and the increase in the traffic returns of the railways, it may be concluded, that the inactivity in some special branches of trade has produced less effect on the general condition of the country than is usually supposed.— A great portion of the additional wealth created when certain trades are unusually active being simply a transfer from the general community to a special class, the cessation of this activity implies a corresponding benefit to the general community.— All persons in receipt of fixed incomes being severely injured

by the inflation of prices which takes place in a period of great industrial activity, they are consequently benefited by the fall in prices which occurs when trade declines.—The present depression in many branches of English trade is not, as is often supposed, the result of the free-trade policy of England, but is the natural outcome of the exceptional prosperity these trades enjoyed a few years since.—This conclusion illustrated by a reference to the English coal trade.—The reduction in the cost of living, consequent on the fall in prices, has greatly contributed to enable the country to tide over the present period of industrial depression.—The protectionist policy of America, by increasing the price of numerous commodities (import duties being imposed by the American tariff on 2,000 different articles), prevents this compensating influence coming into operation.—The great increase of pauperism in the United States, and the disastrous losses sustained by the American railways, afford conclusive evidence that the present depression in trade has produced much more serious results in that country than in England.—A comparison, favourable to this country, may also be drawn between the commercial condition of free-trade England during a period of depression, and that of various other countries, such as Germany, Russia, and France, where restrictive tariffs are maintained.—The effects of depression on the Continent are aggravated by the strain resulting from the enormous armies maintained by the European powers.—Hence, the conclusion that a free-trade policy diminishes the effect of industrial depression, is strikingly corroborated by the comparison which has been made between the present condition of England and that of America, which possesses exceptional advantages, and does not maintain a large standing army *Pages 120—153*

CHAPTER VI.

COMMERCIAL TREATIES.

The increasing unpopularity of, and opposition to, commercial treaties are due to the fact that those engaged in any trade which may have been affected by the treaty, and which is suffering from the general trade depression, attribute this depression almost entirely to the treaty.—The objections urged by the French protectionists to the renewal of the Anglo-

French treaty considered.—A similar dread to that which has already been referred to as existing in England is expressed in France, at the excess of imports over exports.—The tendency which is shown in this country to revert to a protectionist policy, has taken effect in the proposal that we should increase the import duties on French goods, in the event of a refusal on the part of France to renew the Treaty of Commerce with this country.—The consequences that would result from carrying out the proposal that the import duties on French silk should be increased.—The impossibility of limiting a policy of "reciprocity" to the proposed protection of the English silk trade.—The disastrous effects that would result from the proposed retaliatory export duties on English coal and machinery considered.—Conclusion that the adoption of the proposed policy of reciprocity would aggravate, instead of mitigating, the mischief which is done to our trade by the protectionist tariffs of other countries.—Although the advantages resulting to both countries from such a Commercial Treaty as that existing between France and England are undoubtedly great, they are accompanied by one not inconsiderable disadvantage, inasmuch as during the operation of the treaty the freedom of each country to introduce changes in its tariff is somewhat curtailed.—This objection is important with reference to the mode in which the duties on French and Spanish wines respectively are arranged.—The grounds of the demand made by English manufacturers for the repeal of the Indian import duties on cotton goods examined.—Although the tax must be condemned on economic grounds, the subject cannot be regarded as one involving economic considerations only.—In deciding the question as to the repeal of these duties the position of Indian finance must be taken into account.—Although many English Colonies maintain a system of protection far more onerous in its character than that involved in the retention of the Indian cotton duties, it has not been proposed that the Colonies should abolish their duties in the interests of English manufacturers.—In the appeals that are made for the repeal of the cotton duties too much attention has been given to the interests of the English manufacturers as producers, and too little to the interests of the Indian people as consumers

Pages 154—173

FREE TRADE AND PROTECTION.

CHAPTER I.

INTRODUCTORY REMARKS.

50 THE chief object I have in view in the following pages is to endeavour to explain the causes which in recent years have not only retarded the general adoption of free trade, but have in many countries given a fresh vitality to the doctrines of protection. The subject I think requires careful explanation, for we have to account for the fact that although it is admitted that England during the last thirty years has derived the most marked advantages from the adoption of a free-trade policy, yet most countries seem as disinclined to abandon protection as if the free-trade experiment in England had failed as signally as it has succeeded. Not only in countries where protection has been long established is there this disinclination to follow the example set by England, but even in new countries, such as Australia, there is constantly displayed an eagerness to introduce protection in one or other of its various forms. Competent authorities have, in fact, predicted that the leading political question in Australia during the next few years is not unlikely to be a keen struggle for supremacy between the advocates of free trade and protection. The strong position which is now occupied in many countries by protection has surprised no less than disappointed those who have been the leading advocates of free trade in England. Nothing could exceed

the confidence with which it was predicted that when England had once enjoyed the advantages of unrestricted commerce, other countries would be led to follow her example by the irresistible force of self-interest. During the memorable debates which took place thirty years since, when the financial reforms of Sir Robert Peel were before Parliament, it was again and again unhesitatingly asserted that all commercial countries would soon be eagerly striving to share with England the advantage of buying in the cheapest, and selling in the dearest market. Even as recently as 1860, when the French commercial treaty was on the eve of ratification, its author declared that "nothing would be able to withstand the moral contagion of the example of England and France acting together on the principles of free trade;" and he predicted that the stimulus thus given to free trade "would extend far beyond the limits of the two countries." Instead of these anticipations being realised it would seem that the renewal of the commercial treaty with France and the establishment of similar treaties with other countries will now have to contend with even more opposition from protectionists than had to be encountered when that treaty was first proposed.

I think it desirable thus to direct special attention to the firm hold which protectionist doctrines have obtained in many countries, because nothing is more likely to retard the cause of free trade than to underrate the strength of the forces which are arrayed against it, and to ignore the circumstances on which its opponents rely for support. It is unfortunate that in discussing the subject English free-traders frequently adopt a tone which is not calculated to convince those who differ from them. When protectionists are spoken of as if they were either solely prompted by a desire to sacrifice the welfare of the community in order to promote their own selfish ends, or when they are derided as the victims of economic fallacies so transparent that they ought not to mislead a child, it should be remembered that it is not many

years since the great majority of the English people were ardent protectionists, and the fallacies for which we now feel so much contempt were unhesitatingly accepted by many of the most eminent of our countrymen. Less than forty years ago Lord Melbourne, who was then Prime Minister, declared in the House of Commons, with the cordial approval of the great majority of those whom he addressed, that "during his long life it had been his lot to hear many mad things proposed, but the maddest of all the mad things to which he had ever had to listen was a proposal to abolish the corn laws." Sir James Graham was a statesman who had the reputation of possessing great practical sagacity and much shrewd common sense. A deputation from Manchester waited upon him in 1840 to urge the repeal of the corn laws, and in reply to their arguments he said that "If the corn laws were repealed great disasters would fall upon the country, that the land would go out of cultivation, that Church and State could not be upheld, that all our institutions would be reduced to their primitive elements, and that the people we were exciting would pull down our houses about our ears."¹ It cannot, I think, be denied that those who endorsed this sweeping declaration in favour of protection were not less misled by economic fallacies than are the protectionists of the present day. All the most effective arguments that can now be urged in favour of free trade had many years previously been stated with the most admirable clearness and force by Adam Smith, Ricardo, and other economists. In the pages of these writers are to be found many passages which furnish the best reply that can be made to the modern opponents of free trade. It may however be no doubt fairly urged that although little has of late been added to the theoretical arguments which can be advanced against protection, yet emancipation from the doctrines of this system was far more difficult before free trade had been tried, and that the striking success of

¹ *Cobden and the League*, by Mr. Henry Ashworth, of Bolton, p. 42.

the experiment in England ought to render a ready acceptance of the true principles which should regulate the commerce between nations indefinitely more easy. It should, however, be remembered that the adoption of free trade in England was powerfully promoted by circumstances of so purely exceptional a character that they do not now exist in any country where a protectionist tariff either has been, or is proposed to be, introduced. Between England and the countries which now maintain protection there is this fundamental distinction. In England it was agricultural produce that was most carefully protected, whereas in Continental countries, in America, and in the Colonies at the present time, it is home manufacturing industry that is most zealously shielded against foreign competition. In England, therefore, protection made such a first necessary of life as bread, dear; whereas protection in those countries where it now exists increases the price of such commodities as wearing apparel and various articles of household furniture. It at once, therefore, becomes evident that a force of popular indignation could be brought against the maintenance of protection in England which cannot be brought against it in America and Australia. In a period of scarcity and of popular distress such as existed in England in 1843-45 the appeal in favour of free trade became irresistible. Every one who was suffering the pangs of hunger, every one who was pinched by want could be told, "Bread is made dear, and starvation is brought upon you because the cheap wheat which foreign countries eagerly wish to send you is refused admittance to your ports." No such plea in favour of free trade can be brought home to the people of the United States. It may be impressed upon them that they pay a needlessly high price for various manufactured commodities; that cloth, linen, shoes, hardware, and innumerable other articles are made dearer by protection; but having to pay a higher price for a coat, a shirt, or a hat, can never arouse the same popular indignation as when, in time of scarcity, the

people find themselves deprived of the food they urgently need.

It no doubt may be said that protective duties were not in England solely imposed on agricultural produce, for when Sir Robert Peel propounded his free-trade policy, more than a thousand articles were subjected to import duties, many of which were protective in their character. It is, however, clearly shown by the tone of the discussions at the time that the free-trade movement in England derived its chief impulse from the direct influence exerted by protection in raising the price of food. In the protracted debates in the House of Commons, speech after speech was made both by the opponents and the supporters of free trade, in which no reference was made to any other subject but the repeal of the corn laws. Sir Robert Peel again and again vainly tried to place the discussion on a wider basis by reminding Parliament that he proposed not simply to carry out the principle of free trade in reference to the importation of corn, but that he also intended to repeal every other protective duty. In the political history of our country it has been repeatedly shown that what is refused to reason is not unfrequently conceded to fear. Many, like Sir Robert Peel himself who, for so long had turned a deaf ear to the most cogent arguments that were adduced in favour of free trade, might have remained unconvinced and unconverted, had not a threatened famine in Ireland made them quail before the responsibility of maintaining a system which, by lessening the supplies of food, would have added to the number of those who were suffering the horrors of starvation. A short time before the abolition of protection there seemed to be every reason to suppose that the struggle might be long continued. The protectionist party had a large majority in both Houses of Parliament, and even of those who were not classed as protectionists a considerable number supported some modified form of protection, such for instance as an 8s. fixed duty on corn. The ultimate success of the free-trade movement in

England was no doubt greatly assisted by the zeal and ability displayed by those who advocated the cause; but without in the slightest degree detracting from the services rendered by the prominent leaders of the agitation, it must be remembered that a speaker or a writer who desires at the present time to convince the American or Australian people of the injurious effects of protection has to employ very different illustrations, has to use very different arguments, and has to make very different appeals from those which thirty years ago exercised such irresistible influence in England. The belief became at that time firmly implanted in the public mind that the very hour protection was abolished food would become cheaper, and so far as the great mass of the people were concerned, the blessing of this increased plenty would be accompanied by no qualifications, by no counter-balancing disadvantages. I shall have occasion to show that in consequence of a difference in economic circumstances the arguments now to be advanced in favour of free trade must be very different on the Continent, in America, and in the Colonies to what they were in England thirty years ago.

However great may be the ultimate advantages which free trade would confer, it is too often forgotten that when a great number of different manufactures have been artificially fostered, and have been forced into a kind of unnatural existence through protection, much suffering and loss may be caused to those who are engaged, either as employers or employed, in these particular industries, if the support they have derived from protection is withdrawn. There are no doubt many who will not agree in the opinion just expressed, for it is often maintained that the abolition of protection is sure to bring an increase of prosperity to those trades which are protected. It will not, I think, be difficult hereafter to show that this opinion is erroneous. It is, in fact, one of those instances which frequently occur of an economic principle being stated with too much generalisation, and without

the necessary qualifications. It is thus often asserted that the introduction of a new machine must prove beneficial to the labourer. In one sense this no doubt is true, for probably on no portion of the community does the extended use of machinery ultimately confer so much advantage as on the labourer. Numerous examples, however, might be given from which it would be at once seen that the invention of a new machine has inflicted a real and severe loss upon some special class of labourers. The primary result of a mechanical invention is that it enables some industrial process to be mechanically performed which has previously required the exercise of manual skill. This skill can often only be acquired after a long and expensive training, and those who possess it are virtually the owners of property, the pecuniary value of which can be estimated by the extra wages which they receive when compared with the wages which are paid to the ordinary unskilled workman. It has, for instance, been stated that many of those who were most skilled among the Sheffield file-grinders have been able to earn as much as 6*l.* a week. Suppose a machine is invented which cuts files as well as they were previously cut by hand. The workman will then find that the necessity for his special skill has been altogether superseded. It therefore ceases to possess any pecuniary value. He will have to seek some employment in which he will have no exceptional advantage which will enable him to claim unusually high wages, and it will not improbably happen that he may be unable to earn more than half the wages which he had previously obtained. Great therefore as may be the advantage conferred on a community by the extended use of machinery in adding to the productiveness of labour and capital, it is well not to lose sight of the fact that the labourers whose special skill is superseded by a mechanical invention may have to bear a loss as real as if the owner of an estate should suddenly find his land deprived of half its natural fertility.

When investigating the causes which induce such powerful

support to be given to the continuance of protection in America and other countries, I think it can be shown that the opposition to the adoption of a free-trade policy is to a considerable extent prompted by motives very analogous to those which have often induced the workmen employed in some special trade to resist the introduction of a new machine. The advocate of free trade, it will be pointed out, has often a peculiar difficulty to encounter, because the more striking and complete the advantages which would result from the abolition of protection in any particular industry, the greater the inducement offered to all those engaged in this industry to resist the change. Thus in order to bring into the strongest relief the loss which protection inflicts on a nation, some instance may be selected where the circumstances of a country are so unfavourable for the carrying on of a particular industry that it would not exist at all if it were not secured against foreign competition by protective duties. In consequence of the productive salt mines possessed by England it is probable that all the salt which the French consume would be obtained from this country, and not a pound of salt would be manufactured in France, if extremely high protective duties were not imposed on the importation of salt into that country. If, therefore, these duties were abolished the manufacture of salt in France would cease to exist as an industry, and those who are engaged in it, either as masters or workmen, would have to bear the loss and inconvenience which always accompany the transfer of capital and labour from one employment to another. In countries which maintain a system of protection there are always many industries, the existence of which, like the manufacture of salt in France, depends upon the continuance of protection. Any proposal therefore to abolish protection not unnaturally excites the combined opposition of all those who are concerned in these industries. Their opposition, prompted by self-interest, can hardly be expected to be removed, but, on the contrary, is not unfrequently

increased, by the very strength of the facts which are adduced in favour of free trade. Thus it has been stated by the well-known American economist Mr. D. A. Wells that the people of the United States have to pay in consequence of the protective duties on imported steel such a needlessly high price for the steel rails they use that it would be a remunerative expenditure if these protective duties were abolished, and if, out of state funds, the existing Bessemer steel works were purchased and then closed, those employed in them receiving a pension in the way of compensation. Those however who have an interest in these works know perfectly well that they would have no chance of obtaining such compensation, and consequently the more they hear about the great reduction in price which would result from the free importation of steel, the more they become impressed with the loss which would be inflicted upon them, and consequently their opposition is intensified rather than appeased. I think we are able thus at least in part to understand why free trade has made such slow progress in those countries where protection has been long established, and where consequently it is supposed that many branches of industry depend upon the continuance of the system not only for their prosperity, but in many cases for their very existence.

Another phase, however, of the present protectionist movement seems at first sight more difficult to explain. Allusion has already been made to the strong support which is given to protection, and to the adoption of its principles, in many of our colonies. It may with reason be said, "It is possible to understand why in a country in which protection has long existed there should be many people prompted by a feeling of self-interest to advocate its maintenance; but how does it happen that in Australia, for instance, which has been mainly peopled by those who have emigrated from free-trade England, there should be so wide-spread a feeling in favour of protection?" Considerable encouragement has no doubt been given to colonial protectionists by the

impeding influence, and that great as is the prosperity which is undoubtedly enjoyed by many countries which maintain protection, they would enjoy still greater prosperity if their labour and capital, untrammelled by any artificial restrictions, were freely permitted to be directed to those industries where they could be employed with maximum efficiency.

Although scarcely any one could now be found in England who would express doubt as to the great advantages which free trade confers, yet at the present time indications may not unfrequently be observed which seem to show that there are many among us who still imperfectly understand the real nature of the benefits produced by free trade. There are, for instance, many English merchants and manufacturers who apparently consider that an injustice is done to them, and that an injury is inflicted on English commerce, if England persists in a free-trade policy whilst various products of her industry are excluded from foreign markets by protective duties. At many chambers of commerce resolutions have been lately passed in favour of a policy of reciprocity. The chairman of one of the most important of these bodies not long since referring to the probability that the importation of English goods into France would be still further discouraged by an increase in the existing protective duties, inquired whether under the circumstances the English Government ought not to discourage the importation of French goods into England by the imposition of duties, for instance, on such an article as French silk. And another member of the chamber soon afterwards declared, that "one-sided free trade was an absurdity." As there is reason to believe that the opinions thus expressed are largely shared by many English capitalists and labourers, I shall hope in a subsequent chapter to show that, however great the injury inflicted on English industry by the protective tariffs of other countries, this injury would not be lessened, but would, on the contrary, be most seriously aggravated, by a policy of retaliation.

It is the more important to re-state the arguments in favour of commercial freedom because even in England amongst some of those who would desire to be considered the strongest supporters of free trade a tendency is not unfrequently shown to favour some form of industrial restriction. For many years past few economic questions have excited so much interest in America and Australia as the proposal to restrict or prohibit the immigration of Chinese labourers. This immigration of Chinese labourers has not however been discussed as a question involving purely economic considerations, because those who have urged that this immigration should be discouraged have always maintained that they are influenced by social and moral, and not simply by economic, considerations; that their antipathy to the Chinese is not simply prompted by a desire to maintain a high rate of wages by resisting the influx of cheap labour, but that they object to the Chinese because they do not wish to see their country overrun by an inferior race. Recently, however, in our own country the importation of labour has been opposed on grounds which will enable the subject to be considered as a purely economic one. Certain workmen, exercising a right which they undoubtedly possess, have lately declined to work for the wages which their employers offer. The employers, finding that Germans were willing to work for these wages, at once decided to employ them. No one can for a moment suppose that any moral disadvantage can result from the settlement amongst us of a certain number of German workmen. There is nothing in the German character which can justify Englishmen in saying that they dread being brought into contact with it. In discussing the subject therefore as one involving purely economic considerations, we shall have to inquire whether it is possible, consistently with the principles of industrial freedom, to justify any interference with this importation of labour. It has often been said that the very essence of free trade is contained in the maxim of buying in

the cheapest and selling in the dearest market. But is this perfect freedom to buy and sell to be denied to those who have labour to dispose of? The industry of a country is, like a complicated machine, composed of many parts, one of which, if touched, may affect the working of all the rest. The denial of the right to obtain labour on the most favourable terms does not simply affect the employers and the employed who may be parties to the dispute. If in consequence of employing more expensive labour than that which could otherwise be procured the cost of building a house should be increased by 50*l.*, he who lives in that house, whether as owner or as tenant, is just as certainly taxed, is just as effectually prevented obtaining a commodity on the cheapest terms, as is the French householder who, through the imposition of a protective duty, is compelled to pay twice as much as he otherwise would for every pound of salt he consumes.

I have thought it desirable in these introductory remarks to indicate some at least of the many subjects which will be embraced in the inquiry into which I propose to enter, because it may not unnaturally be thought that a discussion on free trade and protection can be little else than the exposure of fallacies the unsoundness of which has again and again been explained. I hope I have already said enough to show that there is no question at the present time connected with political economy which has a more real or living interest.

CHAPTER II.

PROTECTION.

PART I.—*Bounties on Exports.*

THE chief advantage which protectionists claim for the system they support is that it gives encouragement and assistance to native industry. Protection was defended in England, and is still defended in the countries where it is maintained, on the ground, that various home industries would inevitably decline if, unaided by protective duties, they had to contend against foreign competition. Although this desire to protect the home trader against his foreign rival may no doubt be regarded as the chief cause why protectionist tariffs have been maintained, yet many duties, which have been most protective in their character, were in the first instance imposed not with any idea of encouraging native industry, but with the very different object of securing what is called a "favourable balance of trade." Until a period which is marked by the publication of Adam Smith's *Wealth of Nations*, it was almost universally assumed that the advantage or disadvantage which foreign commerce conferred upon a country was solely to be measured by the extent to which her stock of the precious metals was either increased or diminished. If the goods which a country imported exceeded in value those which were exported, then a balance was due from her to the countries with which she traded. Money consequently had to be transmitted abroad to adjust this balance; as it was supposed that the country was rendered so much poorer

by the money which was thus sent away, it was thought to be an object of first importance that this flow of money should be checked, and, if possible, turned in an opposite direction. The encouragement of exports and the discouragement of imports consequently became the guiding principle of the commercial policy of every country, because the more exports were increased and the more imports were diminished the greater would be the amount of money which would have to be received, and the less would be the amount which would have to be paid. One of the most general methods which was adopted for encouraging exports and discouraging imports was to give a bounty on exports, and to impose heavy duties on imports. Those who sent produce abroad were considered to be such benefactors of their country that the money of the State could be well and fairly spent in rewarding them. Those, on the other hand, who imported produce would have to send money to foreign countries in payment for this produce. They consequently were regarded as concerned in transactions which would lead to national impoverishment; it was therefore considered expedient to impede, by the imposition of duties or in any other way, the trade in which they were engaged. But the policy having been once adopted of granting bounties on exports, and of imposing restraints on imports, with the view of creating a favourable balance of trade, it gradually came to be seen that other consequences resulted from thus encouraging exports and impeding imports. It was considered that by adopting such a policy two distinct advantages would be secured. In the first place, native industry would be assisted; and secondly, the trade of foreign countries would be impeded. The home trader who received a bounty on the goods he exported might be enabled to undersell his foreign competitors in their own markets; whilst import duties, if made sufficiently high, would effectually keep out foreign competition from the home market. Commerce was so generally looked upon as

a struggle between rival countries whose interests were assumed to be entirely antagonistic, that to impede the industrial development of foreign nations was supposed to be scarcely less important than to aid the prosperity of home trade. Even at the present time there are many who still apparently think that it is to the direct interest of their own country that other nations should not prosper. It will, in fact, be shown when considering the arguments which are now advanced in support of protection, that the only logical basis on which the system can rest is the assumption that a conflict is being perpetually waged between countries which trade with each other, and that it is not less important in this industrial war than it would be in a struggle for military supremacy, to adopt every expedient in order to weaken the resources of the enemy.

The policy of protection is now so generally carried out by the imposition of import duties, that the subject of protection is not unfrequently discussed without any special reference being made to the protective influence which may be exerted by the granting of bounties on exports. In past times, however, these bounties played a very important part in the commercial policy of many countries, and even in recent times the granting of bounties, although it has been to a great extent discontinued, has not been entirely given up. It is well known that at the present day the French government give a bounty on the export of sugar from that country, with the object of encouraging the cultivation of beet-root, and promoting the manufacture of sugar. The subject, therefore, not only has an historical interest, but is one of so much practical importance that it will be desirable to direct attention to it. Adam Smith¹ says:—“Bounties upon exportation are, in Great Britain, frequently petitioned for, and sometimes granted to the produce of particular branches of domestic industry. By means of them our merchants and manufacturers, it is pretended, will

¹ *Wealth of Nations*, Book iv. chap. 5.

be enabled to sell their goods as cheap or cheaper than their rivals in the foreign market. A greater quantity, it is said, will thus be exported, and the balance of trade consequently turned more in favour of our own country." Although these bounties were petitioned for and granted on the ground that they would promote a favourable balance of trade, which at the time was supposed to constitute an advantage for the entire nation, yet there are clear indications that those who thus petitioned for these bounties were influenced not solely by an anxiety for the national weal. The spirit of protection can be distinctly traced in the policy which was then advocated; for in the same chapter of the *Wealth of Nations* from which the above passage has been quoted, it is stated that manufacturers and other traders greatly favoured these bounties, because they not only enabled surplus stocks to be disposed of to foreigners, but through their agency prices in the home market were maintained at a high level. In numerous instances bounties were granted on the export of the very articles on which, when imported, high protective duties were imposed. A remarkable example of this is afforded by the high bounties which were for many years in England granted on the export of corn, at the time when its importation was restricted by the levying of onerous duties. It therefore happened that in years when there was a bountiful harvest, those who had corn to sell were bribed, at the public expense, to send it abroad; and in years of scarcity the general public were prevented buying the food which they urgently needed, and which other countries were willing to sell them, in order that those might be benefited who were interested in the maintenance of a high price for corn. It is impossible to devise any arrangement which would inflict a greater amount of injustice and suffering on a community. In the first place, the encouragement which was given to the sending of surplus corn abroad in good seasons left the country with a smaller accumulated

store with which to meet times of scarcity. Secondly, bounties, by increasing the demand for corn, increased its price to the home consumers, who were thus in this unfortunate position : they were taxed in order to raise the price of the food they consumed. It thus appears that the country was not only, through the operation of these bounties, placed in a more unfavourable position to meet the difficulties which had to be encountered in seasons of scarcity, but these difficulties were also greatly increased in consequence of food being made artificially dear through the restraints which were imposed on the importation of corn.

Although, therefore, it is evident that this system of granting bounties on exports, accompanied, as it was, with restraints upon imports, must have inflicted an incalculable amount of suffering on the nation, yet the policy was not, as we have seen, forced on a people unwilling to receive it ; but, on the contrary, we are told that the Government was constantly petitioned, by those engaged in various trades, to favour them with a bounty. As this system of granting bounties is still maintained in France and other countries, it becomes of practical importance to inquire what is the general effect of these bounties, not only upon the countries in which they are granted, but on those countries to which the produce receiving the bounty is exported. Adam Smith has said that when a bounty was granted to any particular trade, those who were engaged in it considered that they were favoured by a special advantage. As it seems that the same opinion still prevails in countries where the system of bounties is continued, it will be desirable to ascertain what is the precise effect upon those who are concerned in the production of any particular commodity, the export of which is stimulated by bounties. This may be shown by tracing the effect of granting a bounty on the export of sugar from France. It is the more desirable to consider this particular example, because at the present time this is by far the most important industry which receives a bounty ; and

the demand for French beet-root and other materials, out of which sugar is made, is increased. But when considering any attempts that may be made either by bounties on exports, or by restraints on imports, to give an artificial encouragement to any particular trade, it cannot be too distinctly borne in mind that it is impossible permanently to secure an exceptionally high rate of profit to any branch of industry, unless free admission to it is barred, and those who are engaged in it enjoy the privileges of a close monopoly. In every commercial country there are always many who, possessing a large amount of floating capital, are constantly looking out for a lucrative investment; and water is not more certain to find its level than is this capital to flow into those channels where it can be used with the greatest advantage. If, therefore, by giving such a bounty as that on French sugar, it should be supposed that an amount equivalent to the bounty, were added to the profits of a particular class of traders, there would be an eager rush of those who had capital to employ, to share in the exceptional gains yielded by this favoured branch of industry. There could be no certainty that this flow of capital would be kept within due control, and it might not improbably happen that those who were engaged in the trade on which the bounty is given would find that, instead of being a privileged class who are enjoying special advantages, the profits of their business had been reduced below the average rate owing to the excessive amount of capital that had been attracted to it.

The price of the article, the export of which is stimulated by a bounty, will no doubt be generally raised; and this has probably led to the belief that bounties are particularly advantageous to the special class of traders who obtain them. Even Adam Smith when referring to the bounties which in his time were given on corn, speaks as if farmers were specially benefited by the price of agricultural produce being maintained at a high level. It can, however, be shown that whenever the price of an article is artificially

raised, either by encouraging exports or discouraging imports, the higher price does not represent an increased rate of profit, but is nothing more than a bare compensation given to the trader, because he has to carry on his industry at a greater cost. It has been already explained that capital is sure to be drawn to any trade which is supposed to yield an unusually high rate of profit; and thus the force of competition being ever present to exercise an equalising influence, will prevent a larger return being realized from those trades which are protected, than from other industries carried on in the same country. When the corn laws were in operation in England, corn no doubt was made extremely dear; but it will be subsequently shown that in no period were the English tenant-farmers in a more depressed condition. During the period of the corn laws, committees were again and again appointed by Parliament to inquire into the causes of agricultural distress, and it was then proved that as prices rose, rents were advanced. Not only did this increase of rent absorb all the advantage which the farmers might have derived from the high prices which were created through protection, but a most serious injury was inflicted upon them by the very legislation which was presumably passed in their interest. The effect of the corn laws in raising prices was over-estimated; rents were calculated on a basis of high prices, which in the average of years were not maintained; and farmers consequently were unable to pay the rents which had been agreed upon. The only class, therefore, who can permanently profit from any particular produce being made artificially dear, are those who own the land on which the produce is grown, and not those who either rent it, or those who use the produce as the raw material of some manufacture. Thus the stimulus which is given to the export of French sugar by the present bounty may, by increasing the demand for beet-root from which this sugar is so largely made, increase its price, and thus additional value may be

given to the land on which the beet-root is grown. But the gain which is in this way secured by a special class, is purchased at the expense of the entire French nation. The whole community is, in fact, doubly taxed. In the first place, the bounty, whether it costs 750,000*l.*, or only 360,000*l.* a year, still represents a very serious charge which has to be borne by the entire body of French tax-payers. This charge, however, large though it is, can only be regarded as a portion of the burden which is thrown upon them; for if sugar is raised as little as a farthing a pound in France by this forced export, and this is a very moderate estimate, the additional price, which the French will be compelled to pay for their sugar, cannot be less than 1,000,000*l.* a year.

The chief results that are secured by the imposition of this onerous fine, are first, that more of the land, capital, and labour of France, are devoted to the growing of beet-root than would otherwise be the case, and the value of the land, suitable for the growth of beet-root, is somewhat enhanced; secondly, that French sugar is sold at a lower rate in England and other countries, than it otherwise would be.

It would certainly seem that we should be the last to complain if the French are willing thus to tax themselves for our benefit. The English sugar refiners have, however, repeatedly endeavoured to induce our Government to interpose on their behalf, and to protect them against French competition by imposing on French sugar an import duty, which would neutralize the effect of the bounty. Considerable injury is no doubt inflicted on English sugar refiners by the French being bribed by their Government to sell sugar in the English market at a price which without a State subvention would not prove remunerative. If, however, we once embark on the policy of protecting a special trade against the harm which may be done to it by some other country adopting an unwise fiscal policy, we should soon find ourselves involved in a labyrinth of commercial restrictions, and our tariff would become as protectionist as is the

tariff of the most protectionist country. We occasionally hear of iron being imported into England from Belgium, and of cotton goods being sent to us from America. Our ports are freely open to receive any quantity of these products which America or Belgium may be willing to send us; and yet our manufacturers find that they cannot export a single ton of iron to Belgium, or a single bale of cotton goods to the United States, without the payment of import duties. If, therefore, English sugar refiners were protected against the competition of cheap French sugar, English iron-masters and English cotton manufacturers would be able to put forward an unanswerable claim to be secured against the competition of their foreign rivals. It usually happens that we, as a nation, obtain no compensating advantage for the injury which is done us by the protectionist tariffs of other countries. It can no doubt be shown that those who maintain these tariffs inflict a far greater injury upon themselves than they do upon us; but it cannot be denied that the English suffer, as a nation, by the commercial restrictions of other countries. When, however, the encouragement to home industry, which is supposed to be the main object of protection, is secured, not by imposing restraints on imports, but by granting bounties on exports, the loss which such a policy entails does not extend beyond the country which adopts it. England, as we have seen, gains, as certainly as France loses, by the bounty on French sugar; and as long as France is willing to tax herself for our benefit, why should we refuse to accept the advantage which is offered to us? We should be simply giving a new sanction to protection if the import of cheap sugar from France were impeded, with the view of causing such an advance in the price of sugar as would make the trade of sugar-refining in England adequately remunerative.

PART II.—*Restraints on Imports.*

IN proceeding to consider the effects which are produced by imposing protective duties on imports, it will be necessary, in the first instance, to point out the very important difference there is between an import duty which is imposed for purposes of revenue, and one which is maintained with the view of protecting some home industry against foreign competition. A country can obtain a very large portion of its revenue, as England does at the present time, from import duties, without there being a trace of protection in its fiscal system. The import duties which are levied in England may be divided into two classes. First, duties are imposed on articles which are not produced in the country itself, such as tea and coffee; secondly, duties are levied on some article, such as malt or spirits; an excise duty exactly equivalent to this import duty being imposed on English-made malt and spirits. When an import duty only corresponds to an excise duty of the same amount, it is evident that the foreign and the home producer are placed in a position of equality, and the import duty cannot be regarded as protective.

It has been sometimes maintained that even an import duty which comes within the first of these two classes, gives, under certain circumstances, an advantage to the home trader, and thus assumes a protective character. If there are two articles used for similar purposes, and if the one which is imported is taxed, and the other, which is a product of home industry, is untaxed, the import duty undoubtedly would exert a protective influence, because, by making the article which is imported dearer, it would discourage its use, and would, *pro tanto*, give an advantage to the product of home growth. Thus if in England the malt duty were repealed, and beer consequently became untaxed, and if at the same time an import duty were levied

on wine, such a duty might be regarded as protective ; because wine which was taxed might often come into direct competition with beer which was untaxed. Such an objection, however, cannot be raised to import duties as they are levied in England. English and foreign-made spirits are taxed at the same rate ; and the foreign countries which send us tea, coffee, and wine, cannot complain that these articles are placed at a disadvantage in the English market because they have to compete with English-made beer which is more lightly taxed. The malt duty is certainly quite as high an *ad valorem* tax as the import duty which is levied upon tea and foreign wines. However careful a country may be to remove all traces of protection from its fiscal system, yet it is impossible to prevent an import duty causing some loss and inconvenience to the countries from which any particular article liable to such a duty is exported. If tea were admitted into England duty free, there would of course be a reduction in its price. The consumption of tea in England would consequently considerably increase ; and China, the East Indies, and other countries which supply us with tea, would undoubtedly obtain a somewhat better price for tea owing to this increased demand. Although, therefore, all import duties, even if they are not protective, must be disadvantageous to the countries from which the articles are exported which are subjected to duties, yet there is this fundamental and important distinction between an import duty which is imposed for purposes of revenue, and one which is maintained with the object of giving protection to home industry. In the former case, the object those have in view who impose the duty, is to encourage importation ; because the greater the importation, the larger is the revenue obtained. In the second case, the object being to discourage importation, the smaller the amount of revenue obtained, the more completely will the purpose of the duty have been achieved. In the entire tariff of the United States there is probably

no import duty which is considered to be more entirely successful than that which is levied on imported copper. This duty so completely defeats foreign competition, that the quantity of copper imported into the United States is so insignificant, that the duty¹ in 1869 only yielded 30,683 dols. It has been calculated that the Government really obtains no revenue at all from the duty, because these 30,000 dols. are supposed to provide a very inadequate compensation for the increased price which the Government pays for the copper used in the navy yards and other State departments.

It is evident that the home trader, independently of any aid that he may derive from protective duties, must always in his own market enjoy an advantage which may be regarded as conferring upon him a kind of natural protection ; because the cost of carriage is necessarily a more important factor in the price of foreign than of home produce. Thus if it cost 30s. a ton to send iron from England to Chicago, and only 10s. a ton to send it there from the iron districts of Pennsylvania, it is evident that if English iron were admitted duty free into the United States the American ironmasters would still have a great advantage in their own markets. Suppose iron were sold for 5*l.* a ton at Chicago ; the English would not be able to obtain one penny a ton more for their iron because of the greater expense to which they had been subjected in bringing it from so great a distance. Consequently, of the 5*l.* which the English receive for a ton of iron, only 70s. would be paid for the iron : the remaining 30s. would represent cost of carriage. The American ironmaster, however, only having to pay 10s. a ton for cost of carriage, would receive 90s. for each ton of iron which he sold ; he therefore would virtually obtain 20s. more for every ton of iron than his English competitor ; and this might be sufficient amply to

¹ See the essay in the Cobden Club *Essays*, 1871-2, called "A Chapter in Politico-Economic History," by the Hon. David A. Wells.

compensate him for having to pay higher wages or for any other circumstance which might make the cost of producing iron in America greater than in England. I have thought it desirable to describe the advantage which the home trader thus derives from this natural protection, because it will be necessary to refer to the subject when considering the arguments which are advanced in support of protective tariffs.

In proceeding to consider the effects produced by import duties imposed for purposes of protection and not for revenue, it will be important carefully to distinguish between the influence exerted by a protective duty on the country in which it is imposed, and the influence it exerts on the countries from which the produce subject to the duty is exported.

In the introductory chapter allusion was made to the fact that whereas agricultural produce used to be most carefully protected in England, protective duties are now chiefly employed in other countries, to secure various branches of manufacturing industry against foreign competition. Although, therefore, it may appear to be at the present time of most practical importance to trace the effects of protecting manufacturing industry, yet there are many reasons why it is desirable to commence the inquiry by considering the consequences of imposing protective duties on the importation of agricultural produce. Manufacturing and agricultural industry are so inextricably intertwined that it is impossible to protect the one without exercising a considerable influence on the other. Thus it has been shown that the owners of land, on which beet-root is grown, are far more affected by the bounty which is now given in France on the export of sugar than are the manufacturers of sugar, although it is their industry which the bounty is particularly intended to foster. A brief description of some of the consequences which were produced in England by the protection which was given to agriculture

will enable us more clearly to understand the effects which result from the protective duties which are now maintained on various branches of manufacturing industry in France, Germany, America, and other countries.

It has already been explained that protection may be regarded as the natural outgrowth of the mercantile system. Exports were encouraged and imports discouraged with the primary object of securing a favourable balance of trade. It was soon, however, perceived that this policy could be made to serve another purpose ; for it was evident that by thus increasing the foreign demand for any particular product, and imposing difficulties in the way of a supply being obtained from abroad, a double influence was brought into operation to raise its price. It used to be almost universally supposed that to maintain a high level of prices was the most certain way to secure industrial prosperity. Thus it was thought that the dearer agricultural produce became, the more advantageous it would be for farmers, landowners, and all who were concerned in the cultivation of the land. The agricultural interest in the last century was able to exercise a predominant influence in the English legislature ; and consequently agriculture obtained, to a far larger extent than any other industry, what was then regarded as the boon of protection. It has already been shown how public money was spent to procure, through bounties, a high price for corn in those plentiful seasons when there was a surplus to be exported ; and when seasons were not so favourable, such effectual precautions were taken to prevent the agricultural interest being deprived of the advantage of high prices, that Adam Smith tells us that in his time when corn was below a certain price, its importation was entirely forbidden, and that even in seasons of moderate plenty the duties on corn amounted to prohibition. With regard to the importation of other articles of food still greater solicitude was shown, to secure for the agricultural interest the high prices resulting from a strict monopoly. No live stock

and no fresh meat were permitted to be imported ; and for many years English farmers and English landowners were so terrified, even of the competition of Ireland, that no Irish cattle were allowed to be sent to England. So mischievous was it considered that the people should use any butter that was not produced in England, that although butter might be imported to serve as grease for machinery, yet the Custom House authorities were strictly enjoined to thrust a stick covered with tar through every firkin of imported butter, and thus render it useless for food. Endless were the ramifications of injustice into which the legislature were led in their desire to protect English agriculture from foreign competition. No sooner was it seen that cotton goods would be largely used than a demand arose that British wool and flax should be protected from such an encroachment.¹ Accordingly, in 1721, a law was passed imposing a penalty of 5*l.* on the wearer, and 20*l.* on the seller, of a piece of calico. Fifteen years later, calicoes manufactured in Great Britain were allowed to be worn, "provided that the warp thereof was made entirely of linen yarn." In 1774, printed calicoes subjected to a duty of 3*d.* a yard, were allowed to be worn. This duty was raised to 3½*d.* in 1806. Raw cotton was at the same time subjected to a heavy import duty. The persistent attempts which were thus made to impede the manufacture of cotton in England afford a striking example of the mischief which a protective policy is liable to produce. It is impossible for the wisest statesmen to foresee what will be the course of national industry ; from motives of mistaken patriotism, misled by the prevalent theories in favour of protection, English statesmen, for more than a hundred years, for the sake of securing a high price for home-grown wool and flax, put most serious impediments

¹ Much interesting information on these and kindred subjects is contained in a book to which I have already referred, entitled *Cobden and the League*, by Mr. Henry Ashworth, of Bolton.

in the way of the progress of the cotton manufacture in this country, which has since become one of the largest and most important of our national industries.

During the closing years of the last, and the commencement of the present century, the foreign trade of England was so much impeded by war, so many ports were closed from which she could have obtained food and other commodities, that prices, especially of agricultural produce, were for many years maintained at an unusually high level. When, therefore, peace was concluded in 1815, the agricultural interest became alarmed. Ports which had been closed were re-opened; prices, it was said, would rapidly fall, and more protection was consequently demanded. The enactments known as the Corn Laws were then passed in deference to the claims thus put forward by those interested in agriculture. The high prices they had obtained in consequence of the war, they now endeavoured to retain through the agency of protective duties. It was therefore enacted that no importation of wheat should be permitted until it had reached the price of 80s. a quarter in the English market, and a proportionately high price was fixed for the exclusion of other grain. These regulations continued in operation, without any material alteration, until 1828, when the sliding scale was introduced. The principle of the sliding scale was to increase the import duties on wheat in proportion to its cheapness in the English market, and thus it was supposed that a high level of prices would be permanently maintained.

When the average price of wheat was 73s. the duty was 1s. a quarter.

"	"	"	72s.	"	2s. 8d.	"
"	"	"	62s.	"	24s. 8d.	"
"	"	"	56s.	"	30s. 8d.	"
"	"	"	46s.	"	40s. 8d.	"
"	"	"	36s.	"	50s. 8d.	"

One of the great evils associated with the sliding scale, was the extreme uncertainty which it threw over the foreign

wheat trade. Thus if when wheat was at 73s. a quarter in England, a merchant purchased wheat in Odessa at 65s. a quarter, and paid 5s. a quarter for its carriage to England, he might find that, before he could sell it, wheat had fallen in price to 62s. a quarter. He would not only lose 8s. a quarter owing to this fall in price (this may be considered as the natural and inevitable risk connected with trade), but his loss would be at once quadrupled, owing to the sliding scale ; because, instead of having to pay a nominal duty of 1s. a quarter, he would have to pay a duty of 24s. 8d. A merchant would not incur this enormous risk, unless he received an adequate compensation. Wheat consequently would not be imported unless it could be purchased in the foreign market at such a price as would, on the average of transactions, leave a margin sufficient not only to yield the ordinary trade profit and to pay the cost of carriage, but also to provide a fund which might be regarded as an insurance to cover the loss of having to pay a largely increased duty.

After the description which has just been given of the various regulations which, during more than a century, were put in force in England with the object of securing a high price for agricultural produce, it must be admitted that if the welfare of an industry depended upon the protection it enjoyed, those who were engaged in English agriculture ought to have been among the most prosperous of the community. I will, therefore, proceed to inquire into the influence which was exercised by this protection and by the high prices it produced, upon the three classes concerned in agriculture, namely landowners, farmers, and labourers. It will be easy to show that these high prices were of no permanent advantage either to farmers or to labourers ; that the extra price which was secured for agricultural produce was appropriated by the landowners in the form of higher rents ; that neither the profits of the farmer, nor the wages of the labourer, were increased ; but, on the contrary, the capital

and the labour, which were applied to the cultivation of the land, participated in that general diminution of productiveness with which the entire capital and labour of the country were stricken in consequence of the impediments which were thrown in the way of the nation's industry. When the corn law was passed in 1815, the farmers were confidently told that a beneficent legislature had ordained that wheat would never be less than 80s. a quarter. A glowing description of agricultural prosperity was given, in which the farmers, selling their wheat at 80s. a quarter in all seasons, would be the worthy recipients of increasing wealth which would be largely shared by a happy and thriving peasantry. When the sliding scale was introduced, the farmers were once more told that they had been secured a high price for their corn, and that they could always reckon on obtaining 64s. a quarter for their wheat. During the thirty years between 1815 and 1845, when the corn laws and the sliding scale were in operation, agriculture, instead of enjoying this promised prosperity, was in a state of exceptional depression. Within this time no less than five committees of the House of Commons were appointed to investigate the causes of agricultural distress. From the evidence given before these committees it was conclusively shown that the high price of agricultural produce had yielded no extra profits to the farmer and no extra wages to the labourer, but that it had been absorbed in increased rents. In fact the corn laws and the sliding scale instead of having conferred any advantage upon the farmers, had caused them a most serious loss. The confident opinions that were expressed at the time the corn laws were passed, that the price of wheat would be maintained at 80s. a quarter, caused land to be re-valued, and rents to be re-adjusted on the supposition that farmers would always sell their corn at this price. It was soon found that those who passed these laws had considerably over-estimated the influence they would exercise on prices, and consequently the farmers quickly

discovered that the chief result to them of the legislation from which they had expected so much benefit, was that they had entered into engagements to cultivate land at a rent which they could not possibly afford to pay. This fact powerfully contributed to the success of the free trade agitation in England. The fate of protection was inseparably bound up in this country with the corn laws; and the corn laws were doomed from the moment when the farmers could be made to see that these laws, instead of increasing their profits and conferring on them advantages which other men of business did not enjoy, had been used by landowners and their agents to induce them unwarily to agree to pay rents which proved their ruin.

In July, 1843, a meeting was held at Colchester in support of the repeal of the corn laws, and a strenuous effort was made to convert the meeting into an important protectionist demonstration. The proceedings of that meeting showed that protection was about to be successfully attacked in its stronghold, for the farmers who had hitherto been its most devoted advocates, were at length beginning to perceive that whatever protection might have done for others it had not profited them. The greatest importance was at the time attributed to this meeting. All the agricultural associations of Essex had combined to secure a triumph for the protectionist party. The entire county had been canvassed by the leading landowners, and by the rural clergy. On the day of meeting the farmers assembled in such great numbers that it was supposed even by the advocates of free trade that a resolution in favour of protection would be carried by a large majority. As the proceedings went on, the opinion of the meeting seems to have been so completely changed, that a resolution was ultimately passed in favour of free trade by a majority of two to one. This result was chiefly brought about by a speech from Mr. Cobden, who in various ways appealed to the farmers honestly to confess whether they had been made more

prosperous by protection. He quoted with great effect the evidence which had been given by several Essex farmers before one of the numerous parliamentary committees which had inquired into the causes of agricultural distress. They all agreed in the opinion that rents had been so high since the corn laws and the sliding scale had been in operation, that the farmers had as a body been unable to pay their way, and that they had been steadily diminishing their capital and adding to their arrears of rent.

With this decline in the prosperity of the farmer and with this decrease in the amount of capital which he could afford to employ in the cultivation of the land, it was inevitable that there should be a marked deterioration in the condition of the agricultural labourer. There probably never was a time when the rural labourer was in a more deplorable condition. With the diminution in the farmers' capital the demand for labour decreased. The general trade of the country had become so paralysed that there was no outlet for the unemployed labour which was steadily accumulating in the rural districts. Wages consequently were reduced to a minimum ; often not more than 7*s.* or 8*s.* a week could be earned, and the greatest distress prevailed in the rural districts.

In thus referring to the depressed condition in which the farmers and their labourers were at the time when the corn laws and the sliding scale were in operation, it must not be supposed that there was no other cause besides protection for this agricultural distress. The old poor law remained in operation until 1834, and the encouragement it gave to every form of improvidence powerfully contributed to lower the condition of the labouring population. Its pauperising influence was specially felt in the rural districts, and the miserable state of dependence and poverty to which the agricultural labourers were reduced, is probably to be attributed quite as much to its agency as to the impediments which protection caused to industrial prosperity. Again, with regard to the position of the farmers under protection,

it is obvious that their depressed condition, to which reference has just been made, cannot be fairly considered as a necessary consequence of the corn laws and of the sliding scale. The effect which these restrictions would have in maintaining the price of corn at a high level, was over-estimated, and consequently rents were fixed so high as to prove disastrous to the farmers. If there had been no attempt to give protection to agriculture, this excessive rise in rents would have been avoided; yet the fact that rents were excessive was undoubtedly due to the impossibility of estimating what would be the effect on the price of corn which these restrictions on importation would produce. It is however abundantly clear that rents were adjusted in strict accordance with what was supposed would be the average price of corn. General economic considerations would lead to the conclusion that this is the inevitable course which would be adopted. If, with an advance in agricultural prices, rents remained unaltered, the returns of the farmer would necessarily be largely increased. The exceptional profits which he would enjoy would attract other capitalists. Farms would be eagerly competed for and rents would rise. This competition and the rise in rents would continue until the extra rent paid neutralized any advantage which had for a time been derived from the rise in prices. During the interval which would elapse before competition would be able to exercise its full influence the farmers would be enjoying extra profits. They would consequently be anxious to employ as much labour as possible; the demand for labour would increase, and wages would advance. But this advance could only be temporary; the extra profits which prompted the increased demand for labour would, as has been shown, be rapidly absorbed in higher rents; even if this were not the case the general competition of the labour market would prevent labour employed in agriculture receiving an exceptionally high remuneration; just in the same way as the competition of

capital seeking employment will prevent the rate of profit in any particular industry being abnormally high.

It therefore appears that the effect of producing by protection a rise in the price of agricultural produce, is to cause an advance in rents. This rise in price is however powerless permanently to secure either for the farmer or the labourer, any exceptional advantages. The remuneration which they respectively receive must ultimately be determined by the general rates of profit and of wages prevailing in other branches of industry. In order therefore to ascertain the ultimate consequences to the farmer and to the agricultural labourer of raising the price of agricultural produce by the imposition of protective duties, it will be necessary to explain the influence which such a rise of prices will exert on the general industrial economy of the country. If by making food and other agricultural produce dearer, the general remuneration of capital and labour is increased, the farmers and their labourers must share the advantage with the rest of the community, and there will be an advance both in agricultural profits and in agricultural wages. If, on the contrary, it can be shown that by making food dearer, every industry is carried on under greater difficulties, and labour and capital become generally less productive, then the farmers and their labourers will not be able to escape the loss caused by this decline in industrial prosperity, and the returns to their capital and labour will be diminished. It can, I think, be conclusively shown that the inevitable consequence of making food dear must be to diminish the productiveness both of labour and capital, and that in all industries including agriculture there will be a decline both in profits and wages. It is not more certain that the returns to industry will be lessened by making food artificially dear, than it is that the efficient working of a machine will be impeded if unnecessary obstacles are thrown in the way of its free movement. Suppose for instance that by restricting importation, bread, butter,

cheese, and other such articles of general consumption were all made forty per cent. dearer; a labourer would find that what he was before able to purchase for 5s. now cost him 7s. In this event one of two things must occur. If his wages are not advanced in consequence of this rise in the price of food, a most serious loss will be inflicted upon him. His wages though nominally the same as before, are really greatly reduced, for he finds that all that portion of his wages which he spends in procuring food and the other articles which are made artificially dear, has lost a considerable part of its purchasing power. The loss which will be thus inflicted on him will be more serious than that which others will have to bear; but it can be readily shown that the injury which is done to the labourers, will spread far and wide over the rest of the community. Consider for instance how the trade of the manufacturer will be affected. If a labourer has to pay 7s. instead of 5s. for food, so much less will be left to him to lay out in clothes and other articles which he is accustomed to purchase. In all the most important manufacturing industries of a country, it is the outlay of the masses of the people which constitutes the chief demand. If they have less to spend there will be a serious falling off in the demand; trade will become depressed, profits will decline, and the injury thus inflicted both on capital and labour will go on accumulating; for with this decline in profits there will be less inducement to invest capital in business; wages will consequently be reduced and the sufferings of the labourer will be aggravated, for he will find that instead of receiving higher wages to compensate him for the increasing dearness of food, his wages are steadily declining with the diminution of his employer's profits.

In case it should be supposed that this description of the effect of making food artificially dear is merely an imaginary one, deduced from theoretical considerations, it may be well to call attention to some facts illustrative of the general

economic condition of England during the thirty years when the corn laws and the sliding scale were in operation, and when the policy of giving protection to agriculture was in its fullest vigour. The period to which I refer was a time of profound peace. That disastrous rivalry in military armaments, which was inaugurated with the establishment of the second empire in France, had not commenced; the national expenditure was at its lowest point; and yet during these thirty years, between 1815 and 1845, there was absolutely no development in the trade of the country. In 1841 the exports were about fifty-one millions a year, the precise amount at which they stood a quarter of a century previously. Reference has already been made to the depressed condition of agriculture, and to the fact that during the thirty years that the corn laws were in operation, five parliamentary committees were appointed to inquire into the causes of agricultural distress. During the thirty years since 1845, agriculture has had no protection; and although there have been times when unpropitious seasons caused losses to farmers, yet on no single occasion has the general condition of agriculture been such as to call for a parliamentary inquiry. But depressed as was the condition of agriculture during the continuance of the corn laws, the general trade of the country was, if possible, in a more unsatisfactory position. The following description is a faithful record, by a contemporary observer, of the condition of the country in 1841, when Sir Robert Peel took office:—"The distress had now so deepened in the manufacturing districts as to render it clearly inevitable that many must die, and a multitude be lowered to a state of sickness and irritability from want of food; while there seemed no chance of any member of the manufacturing classes coming out of the struggle at last with a vestige of property, wherewith to begin the world again. The pressure had long extended beyond the interests first affected; and, when the new ministry came into power, there seemed to be no class that was not threatened with

ruin. In Carlisle, the Committee of Inquiry reported that a fourth of the population was in a state bordering on starvation—actually certain to die of famine, unless relieved by extraordinary exertions. In the woollen districts of Wiltshire the allowance to the independent labourer was not two-thirds of the *minimum* in the workhouse." . . . "In Stockport, more than half the master spinners had failed before the close of 1842: dwelling-houses, to the number of 3,000, were shut up; and the occupiers of many hundreds were unable to pay rates at all. Five thousand persons were walking the streets in compulsory idleness; and the Burnley guardians wrote to the Secretary of State that the distress was far beyond their management; so that a Government Commissioner and Government funds were sent down without delay."¹

It is to be particularly noted that the distress which prevailed at the time was not partial or local, for every industry was equally depressed. Those trades which had for more than a century been most carefully protected, seem to have been in no single respect in a more satisfactory state than those which had never enjoyed protection. The legislature had, as already explained, again and again interposed to protect the woollen industry against the competition of cotton goods, and yet in the description which has just been quoted the woollen trade is specially referred to as one which was suffering severe depression. When impoverishment had spread so widely that tradesmen in the large towns said "new clothes had become out of the question among their customers, and they bought only remnants and patches to mend the old ones,"² it was evident that trades, whether protected or not, must alike be involved in a common disaster. When the general industrial condition of a country becomes as unsatisfactory as was that of England at the period just referred to,

¹ Miss Martineau's *History of the Peace*, vol. ii. pp. 520-1.

² *Ibid.* p. 521.

protection is just as powerless to prevent this depression spreading to any particular trade, as it is to secure in more prosperous times an exceptional amount of prosperity for the particular industries which may be protected. It has already been shown that if the price of agricultural produce is advanced, the competition of capital seeking employment would prevent the farmers ultimately appropriating to themselves any extra gains. Just in the same way, if the price of woollen goods were increased by imposing protective import duties, it would be impossible for the woollen manufacturers to appropriate the advantage to themselves. Suppose they were obtaining profits of 20 per cent., whereas the profits of cotton manufacturers were only 10 per cent., capital would be attracted to the woollen trade by the prospect of these large profits, competition would gradually force down prices, until the woollen manufacturer obtained no more than the ordinary rate of profit; the extra price which he received for his goods being only sufficient to compensate him for the extra price which he has to pay for wool in consequence of the importation of foreign wool being restricted by protective duties.

It can in a similar way be shown that the competition of the general labour market renders it impossible for the labourers who are employed in the industries that are protected, to obtain higher wages than those who are employed in the industries which are not protected. Thus, reverting to the example we have just considered, let it be supposed that the price of woollen cloth is so much advanced by protective duties that woollen manufacturers are able for a time to secure an exceptionally high rate of profit, say 20 per cent., and that in consequence of these large profits, the labourers whom they employ obtain higher wages than are earned by those employed in cotton-mills and other branches of manufacturing industry. It is inevitable that the prospect of obtaining these high wages will attract labour to the woollen trade. The

supply of labour in this particular trade will consequently steadily accumulate, until at length wages are no higher in this trade than they are in any other branch of industry. Hence it may be concluded that the rise in price which is caused by protection, whether it be in agricultural or in manufacturing industry, cannot enable either a higher rate of profit or a higher rate of wages to be permanently secured in the industries which are protected. However greatly the price of any particular commodity is advanced, either by artificially stimulating its export or impeding its import, the capital and labour which are employed in its production only receive a remuneration, the amount of which is determined by the return which is yielded to the capital and labour employed in the general industry of the country. Profits and wages therefore cannot be raised in any particular industry by protection, unless at the same time an influence is brought into operation to increase the general rate of profit and wages in all other industries. It has, however, been shown that protection must exert an influence of an exactly opposite kind. If food is made dearer by protection the remuneration of labour is diminished, the general trade of the country is unfavourably affected, and profits decline. A similar effect will be produced, although its influence may not be so immediately felt, by artificially raising through protection the price of any manufactured article, such as iron. If iron becomes dearer a tax is imposed upon the labourer whenever he has to purchase an article of hardware. Again, dearer iron means more expensive machinery, and, if machinery is more expensive, manufacturing industry is carried on under more unfavourable conditions, and from the diminished returns which are yielded there will be less to distribute both in wages and profits.

There is one class, and one class only, that can derive advantage from a high level of prices being maintained through protection. When the price of any article is increased through protection, the pecuniary value of the

land from which this article is procured is proportionally increased. If wheat, by protective duties, is made dearer, the owners of the land on which the wheat is grown can let it at a higher rent ; and in the same way those who own coal and iron mines can obtain a higher premium for permission to work these mines if coal and iron are made dearer by the imposition of protective duties on the importation of these minerals.

It may, perhaps, be thought that some doubt is thrown upon the correctness of this conclusion, because since protection was abolished in England the rent of land, instead of falling has undoubtedly somewhat increased. It cannot, however, be too carefully borne in mind that other influences may simultaneously come into operation which will greatly modify the effects produced by any economic agency such as free trade or protection. Thus, as previously remarked, during the period of the corn laws and the sliding scale pauperism was greatly encouraged by the abuses of the old poor law. The cost of maintaining this pauperism threw such a serious burden on landowners that in many districts the poor rates absorbed nearly the whole net produce of the land, and consequently the increase of rent which was secured through protection was in many instances a very inadequate equivalent for the increasing charge which poor rates were constantly imposing. On the other hand, since the introduction of free trade the administration of the poor law has been greatly improved, and pauperism has declined. The growth of population and the wonderful development in the trade of the country have so much increased the demand for food and other products, that agricultural prices have, on the average, been maintained in spite of foreign importations ; consequently through the operation of these and other favourable circumstances the value of land has been maintained and rents have not fallen. It, therefore, appears that the owners of land, the only class that can be benefited by protection, need not necessarily be injured by its abolition. It

may be impossible to measure the exact effect which has been exercised by the various causes which during the last thirty years have tended to promote the industrial development of England. Amongst these causes a prominent position is undoubtedly to be assigned to the freeing of the commerce of the country from the fiscal restrictions by which it had been before impeded. This development partly, if not mainly, brought about by free trade, has so much enriched the country that greatly as the importation of agricultural produce has increased, yet the demand for the products of our own soil has not diminished, and the fall in rents which might otherwise have taken place has been, and is likely to be, counteracted.

It is not necessary here to describe at greater length the injury inflicted on a country by protection, because there will be occasion frequently to recur to the subject when considering the arguments that are advanced by leading protectionists in the United States and other countries. Before, however, proceeding to discuss these arguments it will be desirable to make some remarks on the general theory of free trade.

CHAPTER III.

FREE TRADE AND RECIPROCITY.

NOTHING perhaps is so likely to conduce to a just appreciation of the injury which is inflicted by protection, as to show that the economic advantages which are produced by free trade are the same, whether the exchange of commodities is between different countries, or between different parts of the same country. If we inquire what are the benefits which the people of England, for example, derive from trading without let or hindrance among themselves, we at once see that some product can be raised in one locality which cannot be raised in another, and some commodities can be produced under much more favourable circumstances, and therefore much more cheaply, in one district than in another. Even in a country comparatively so small as England, there are so many varieties of climate and soil that various fruits and vegetables which flourish in the south, will scarcely grow at all in the north. Again, the mineral resources of a country are usually not spread over its entire area, but are confined to particular localities. In many English counties, there never has been, and there probably never will be, a single ton of coal, of copper, or of iron produced. The people, therefore, of each locality gain two distinct advantages by freely exchanging their own commodities for those which are produced in other parts of the country. In the first place, various articles are thus obtained which could not otherwise be procured ;

and in the second place, various other articles are obtained more cheaply than they could be produced in the locality itself. If there were no trade between a county like Kent, which possesses no coal, and the coal-producing counties such as Northumberland or Durham, it is evident that the people of Kent would have to do without coal, and they would be consequently subject to all the inconvenience and loss which would result from being compelled to use some much more expensive fuel, such as wood. The Kentish landowners, who happened to possess land on which timber was grown, might have the value of their property considerably increased by a rise in the price of timber; but the addition thus made to the property of a limited class would be secured at the expense of an incalculable amount of loss and inconvenience inflicted on the community in general.

It may perhaps be urged, that even in the most protectionist countries there now is never permitted to be so much interference with freedom of trade as that which has just been described, and that the importation of articles is never obstructed which a community is unable to produce for itself. Protection, it may be said, is alone confined to imposing restrictions upon the importation of articles which come into successful competition with those of home production. It can, however, be easily shown that even this kind of protection would not be permitted, if it were attempted to apply it with the object of imposing restrictions upon the free exchange of commodities, not between different countries, but between different parts of the same country. It is well known that an extensive manufacture of iron was formerly carried on in many English counties, in which now not a single ton of iron is produced. Sussex and Kent once supplied a considerable portion of the iron which was used in the South of England. The old iron railings round St. Paul's churchyard, which were removed only a few years since, were made from iron which

was both raised and smelted in Sussex, and the quality of this iron was undoubtedly equal to the very best that is made at the present day. Iron has ceased to be manufactured in Sussex and Kent, not because the supplies of iron ore have been exhausted there—hundreds of thousands of tons of ore of the finest quality still remain unworked,—but the iron industry in these counties has succumbed to the competition of more favoured localities. Wood was used for smelting iron in Sussex and Kent. With the growing scarcity and dearness of wood, it became more and more hopeless for localities where wood had to be used, or coal had to be imported from a distance, to compete in the manufacture of iron with Yorkshire, Staffordshire, Wales, and other districts where fuel is cheap and coal and iron are found in close contiguity. In order to prevent the loss of an important branch of local industry, the iron manufacturers in Kent and Sussex might have claimed protection against this competition which they gradually found more impossible to withstand. But if such a claim had been conceded, what would have been the result? The manufacture of iron might still be carried on in these counties, duties sufficiently high being imposed to neutralize the advantages which other districts possessed for the production of iron. The price of iron would thus artificially be greatly increased in Kent and Sussex; and everyone in those counties who had to purchase iron, railway companies having to buy rails for their lines, manufacturers having to buy machinery, farmers having to buy implements, householders having to buy grates and other articles of hardware, would all find that the price they had to pay was increased by twenty, thirty, or forty per cent. An onerous tax would thus be imposed on the whole community, in order to preserve this particular local industry, and to guard it against outside competition.

The question is at once suggested—Would such an arrangement be a desirable one for the general community, and

would they receive an equivalent return for the sacrifice made? With the view of answering this question, let us in the first place consider what would be the exact effect produced on those engaged in the industry thus artificially fostered. These may be divided into three classes. First, there are those who own the land in which the iron ore is found, and from which the material with which it is smelted is obtained. Secondly, there are the lessees of this land, who supply the capital, and who possess the plant necessary for the manufacture of iron. Thirdly, there are the labourers who are employed in mining the ironstone, in smelting and puddling the ore, and who in various other ways assist in the manufacture of iron. With regard to the last two of these classes, it was shown in the previous chapter that the competition of capital seeking a profitable investment, and the competition of labour seeking remunerative employment, effectually prevent any particular branch of industry permanently yielding either an exceptionally high rate of profit or an exceptionally high rate of wages. Whenever it is seen that in any trade an abnormally high rate of profit or wages can be obtained, investors and workmen become so anxious to share these special advantages, that increased capital and labour are constantly poured into the trade, until at length the remuneration which it gives both to employers and employed ceases to be greater than that which is yielded in other branches of industry. The capital and labour, therefore, which may happen to be invested in those particular industries which are guarded against foreign competition by protective duties, will only be able to obtain the average or current rate of profit and wages prevailing at the time. If, therefore, the iron trade had through the agency of protection been kept in existence in Sussex and Kent, those who were concerned in the trade, either as employers or employed, would be no better off than those who were engaged in any other of the trades in the locality: the price of iron would no doubt be constantly advancing; but this

advance in price would not represent a fund from which a more ample reward could be given to labour and capital ; it would, on the contrary, be simply a measure of the increasing difficulties and disadvantages under which the trade was carried on. As therefore two of the three classes concerned in this trade, the employers and employed, would derive no permanent benefit from its having been preserved, as it were, in a state of unnatural existence, it will be necessary next to inquire whether any advantage would be conferred upon the remaining class of the three enumerated, namely the owners of the land from which the iron is mined, and from which the fuel is obtained with which it is smelted. It is at once evident that they might be considerable gainers, and that the value of their property might be largely increased. Not only would a rent or royalty be paid for permission to work beds of ironstone, which would remain unworked, and which would consequently have no value at all, if the trade were not preserved through protection, but as timber became more valuable in consequence of the demand for it for smelting purposes, the value of land which was suitable for the growth of timber might be considerably increased. It therefore appears from the example just investigated, that we are led to the same conclusion at which we arrived in tracing the consequences of protecting home industry against foreign competition, namely that the only class who can derive any permanent advantage from protection are the owners of the land from which are supplied the materials necessary for the carrying on of the particular industry which is protected. Competition is ever present as an equalizing force to prevent capital and labour obtaining a higher remuneration in one industry than in another ; and consequently wages and profits cannot continue to be greater in those trades which are protected than in those which are not protected.

In thus attempting to show some of the consequences which would result if free exchange between different parts

of the same country were in any way interfered with, it may be thought that I have been endeavouring to prove what no one would now deny. It may, for instance, be said that the most ardent protectionist would not now dream of trying to prevent the free interchange of commodities between different parts of the same country, and that consequently he does not require to be convinced of the expediency of leaving the trade between Kent and Northumberland absolutely unfettered. If, however, the inexpediency of protecting those who are engaged in some trade in a particular part of England against the competition of their own countrymen is self-evident, what reason is there to suppose that restrictions which are admitted to be disastrous if imposed on the trade between Kent and Northumberland can be less disastrous and, economically, less indefensible, if they interfere with the free exchange of commodities between Kent and Normandy? Exchange of produce between Kent and Normandy is prompted by just the same motives, and conduces to just the same ends, as exchange of produce between Kent and Northumberland. Kent would purchase from Normandy, in precisely the same way as she purchases from Northumberland, various commodities which she either could not produce herself, or which could be produced more cheaply in Normandy. Normandy, on her part, would be able to obtain in exchange for the produce she thus sent to Kent, commodities which she could not produce herself, or which she could purchase at a cheaper rate from Kent than she could produce them for herself.

It may be urged that there are social and political considerations which would warrant the imposition of restrictions upon freedom of exchange between different countries; but confining our attention for the present to the economic consequences resulting from such restrictions, I believe it can be shown that protective duties produce the same effects whether the industry of any particular locality is protected against home or against foreign competition. None of the

circumstances which make it advantageous for trade to be carried on between Kent and Northumberland, depend upon the fact that the people of Kent and Northumberland speak the same language and live under the same government. If Kent can produce no coal for herself, and if she can only make iron under such unfavourable conditions as greatly to augment its cost, it is obviously to her interest to import coal and iron, and to give in exchange the hops, fruit, and other produce, for the growth of which her soil and climate give her special advantages. The benefit which she derives from this exchange in no way depends upon the coal and iron which are imported being of home production. The people of Kent are alone interested in getting their coal and iron where it can be obtained most cheaply and of the best quality. Before the last Franco-German war, when Alsace and Lorraine belonged to France, it was never even hinted that there ought not to be the most perfect freedom of trade between these Provinces and the rest of France. Any proposal to protect a particular branch of French industry against the competition of Alsace and Lorraine, would have been considered as absurd as a suggestion that if land on the south bank of the Seine were cheaper than land on the north bank, the manufacturers in the north of Paris should be protected against the competition of those who lived in the south of Paris, because these enjoyed the advantage of having to pay a less price for the ground on which their manufactories were built. Unless the annexation of Alsace and Lorraine to Germany has changed the character of the industries carried on in those Provinces, how can it possibly be less advantageous for the people of France to trade with Alsace and Lorraine than it was before the annexation took place? If the people of Paris, for instance, used to purchase certain goods from Alsace and Lorraine, they did so because they thought it was there that these goods could be obtained on the most favourable terms; and if they can still be obtained on the same terms, it cannot be less advan-

tageous now than it was formerly for the people of Paris to continue the trade with Alsace and Lorraine. Suppose, however, now that the annexation has taken place, a duty of twenty per cent. is imposed upon goods imported from Alsace, in order that the trade of Germany may be discouraged and that of France encouraged. The inevitable effect of this duty would be to compel those who purchased these goods to pay a higher price for them, and consequently an onerous tax would be imposed upon the general body of the French consumers of these goods. But in order fully to appreciate the injury which the French people would inflict on themselves by pursuing this policy of industrial hostility towards a neighbouring nation, it should be remembered that not a single shilling of additional revenue may be yielded to the State by the taxation which is thus thrown upon them. Let it be assumed, for instance, that in consequence of the imposition of this duty, it is found to be more advantageous to obtain from some other part of France, a certain product of which 1,000,000*l.* worth had before been annually purchased from Alsace. The trade, so far as this particular article is concerned, between France and Alsace is altogether destroyed. The price of the product is raised, because it is now obtained under more unfavourable conditions. This rise in price we may suppose amounts to ten per cent.: but as this rise in price may not be sufficient to compensate the Alsatian manufacturer for the twenty per cent. duty which he has to pay, he ceases to trade with France. It therefore happens that the duty yields no revenue to the State, although it raises the price of the article ten per cent., and consequently taxes the French people just as much as if an income-tax of ten per cent. were imposed on all that part of their income which they expend in the purchase of this particular article. The community receives no equivalent for the sacrifice thus made; the loss to the nation is just as real as if, in order to favour the landowners in some particular district, land in some

other district which was more fertile than theirs, should not be cultivated ; or as if it were ordered that a country should not obtain its coal and iron from the most productive mines ; or if it were enacted that manufacturers should not employ the best and cheapest machinery.

It may, perhaps, be said that although a loss is inflicted on the French people by their being compelled to pay a higher price for the articles which had before been obtained from Alsace, yet a compensating advantage will be secured through the establishment of a new branch of industry in France. But if this were possible, then it would follow that if, before the annexation of Alsace had taken place, some particular kind of manufacture which could be most profitably carried on there, had been prohibited, in order that it might take root in some other part of France, say Normandy, the French people, although they had to pay a needlessly high price for an article of general consumption to encourage the Normandy manufacturers, yet would obtain a compensation because a new branch of industry had arisen in that particular part of France. It is not necessary, for the moment, to consider what would be the effect on Alsace ; for the point which now has to be determined is simply this : Is it possible for the rest of France, excluding Alsace, to be benefited by the establishment in Normandy of some branch of industry which could be more profitably carried on in some other locality ? If such a proposal had been made, would it not have been at once seen that it would be most unjust to tax the people, for instance, of Paris, Lyons, and Marseilles, by making them pay a higher price for some article, in order that an industry which had before thriven in Alsace should now be carried on in Normandy ? If they had to pay more for this particular article, they would be able to afford to spend less on other articles which they might require ; and there would be no reason to suppose that the people of Normandy where the new manufacture had arisen would be better customers of theirs

than those by whom the manufacture had previously been carried on. It therefore appears, without taking into account the injury which would be inflicted on Alsace, that no adequate compensation could possibly be obtained by the French people, for the loss which would be inflicted upon them, if industry were, in the manner just described, diverted from its natural channels by compelling some branch of trade to be carried on in a locality, where the labour and capital employed in it would not yield the maximum results.

It will perhaps be rejoined, that previous to the annexation of Alsace, no one would have thought of placing any restriction upon the free exchange of commodities between her and the rest of France; because as long as Alsace remained a part of France nothing could warrant her industry being subject to any special injury; but, it may be said, a policy which could not be defended while Alsace was a French province can be justified as soon as she has been incorporated in the German empire. So long as the Alsatians remained French, anything which lessened their prosperity really tended to lessen the prosperity of France; but when the Alsatians became Germans, any impediments thrown in the way of their prosperity was a disadvantage to Germany, and ceased to be an injury to France. But whatever may be the political advantages which France may consider she secures by impeding the prosperity of Germany, the principle which is here contended for is this: that, viewing the subject only in its economic aspects, the loss which France would have to bear from discouraging some industry which naturally flourishes most in Alsace, is precisely the same whether Alsace is, or is not, a part of France.

If an enumeration is made of the benefits which a country derives from a free interchange of commodities, it will be found that in no single instance does the gain depend upon the two districts, between which the exchange takes place, being parts of the same country. The eastern States of

America find it advantageous freely to trade with the western States, because each produces in abundance some commodity which the other does not produce at all, or because some commodities can be produced at a much less expenditure of capital and labour in one State than in another. But this scarcity and this abundance do not depend upon political circumstances. If, in the late American civil war, the North had been defeated, the destruction of the Union would not have brought coal and iron to localities where they are not now to be found. The climate, the soil, would not have been changed. States, the climate of which is too cold for the growth of cotton, would not suddenly have acquired a tropical temperature. It therefore appears that in no single respect does the economic gain which is admitted to result from the free interchange of commodities, between different parts of the same country, become in the smallest extent diminished if the districts between which the exchange takes place cease to belong to the same nationality. If it were advantageous that there should be perfect freedom of trade between Alsace and the rest of France, when Alsace constituted a part of the French nation, it cannot be economically less advantageous that there should be the same freedom of trade now that Alsace has been incorporated with Germany. The imposition of commercial restrictions on the trade between France and Alsace, may undoubtedly impede the prosperity of Alsace—a loss may thus be inflicted on Germany; but it cannot be too distinctly borne in mind that it is impossible for this loss to be inflicted on Germany, without a loss being at the same time inflicted on France. The injury done to each country is in fact to be exactly measured by the loss which would be caused to the people both of Alsace and of the rest of France, by restricting the Alsatian trade, when Alsace still remained a French province. A policy of commercial restriction, therefore, can only be regarded as economically defensible on the

supposition that it is advantageous for a country to make a considerable pecuniary sacrifice in order to hinder the prosperity of neighbouring countries. It is evident that if this were the principle on which the commercial relations between different nations were arranged, countries might be regarded as being in a state of perpetual war; for even in a time of peace, although there would be a cessation of military conflict, industrial hostility would not for a moment be suspended.

Enough has now perhaps been said to show the general economic advantages which result from free trade. It appears, however, necessary to consider the subject from another point of view, because it seems to be not unfrequently supposed that a country would derive great benefits from free trade, if other countries would adopt the same policy; but that a nation, such as England, is seriously injured, because, prompted by a spirit of foolish and Quixotic generosity, she permits countries which impose protective duties on her products, to send their goods freely to her markets.

Allusion has already been made to the fact that many who profess thorough adherence to the principles of free trade denounce "one-sided free trade as an absurdity," and assert that if other countries impose restraints on our commerce, we ought in self-defence to impose restraints on their commerce. It will not be necessary to consider the question as one of moral right. It may be admitted that if our manufactured goods are kept out of the American markets by heavy protective duties we should be justified in imposing duties with the view of impeding the importation of American produce. But, however completely our right to carry out such a policy of retaliation may be acknowledged, the important practical question remains for us to consider: what are the consequences which such a policy would produce? The protective tariffs which are maintained by the United States, and other countries,

undoubtedly inflict a very serious injury upon our trade; and the simple point to be determined is, whether this injury would be diminished, or whether it would not be most materially aggravated, if we, in order to avenge ourselves, imposed protective duties on their produce. If it were thought expedient to adopt such a policy of retaliation, it might undoubtedly be most reasonably carried out against the United States. The greatest harm which is done to our trade by protection is the loss of free access to the American market, and the tariff of the United States is far more protectionist in its character than the tariff of any other country. This will at once be shown by comparing the import duties imposed on certain English products imported into the United States, France, Germany, Russia, and Austria respectively.¹

	UNITED STATES.	FRANCE.	GERMANY.	RUSSIA.	AUSTRIA.
	<i>ad val.</i>	<i>ad val.</i>	<i>ad val.</i>	<i>ad val.</i>	<i>ad val.</i>
Iron (Bar) . . .	67 to 100 %	35 %	Free	50 %	35 %
Copper	30 %	Free	Free	Free	Free
Cotton Yarns . .	53 to 85 %	—	4 to 9 %	23 %	6 to 9 %
Woollen „ . . .	85 %	—	$\frac{1}{2}$ %	13 %	1 to 2 %
Jute manufactures	30 to 40 %	11 to 26 %	5 %	10 %	4 %

It will be seen from the above figures that by far the highest import duties, which are levied on English goods, are those which are imposed by the tariff of the United States. Not only are the duties in this tariff exceptionally high, but it embraces a far greater number of articles than the tariff of any other country. By the existing tariff of the United States, import duties are imposed on about 1,500 articles; and there is scarcely a single English product which is

¹ See Parliamentary Return, No. 291, 26th June, 1877, "Import Duties on British Goods (Foreign Countries)." The Return was issued by the Board of Trade, and was prepared under the direction of Mr. R. Giffen.

allowed free access to the American ports. By far the greater number of these duties are protective; for it rarely happens in the United States that an Excise duty is imposed on a home product to counterpoise the duty on the same product when imported. The tariff of the United States undoubtedly inflicts a very serious injury on English trade; and it can be a matter of no surprise that the loss we thus have to bear should be the more keenly resented, because England is so good a customer of the United States, that of the aggregate amount of her exports, more than three-fifths are purchased by England. In 1876, the value of the exports from the United States was 109,490,000*l.*; and of this entire quantity, 72,307,000*l.*¹ was sent to England. So seriously does the tariff of the United States hinder the importation of English goods into America, that whereas the value of the exports from the United States to England is 72,000,000*l.*, English goods are made so unnecessarily dear in the American markets by protectionist duties, that the value of the goods America annually purchases from us is only of the average value of about 25,000,000*l.* These figures certainly show that, with regard to the injury which is inflicted on our commerce by the maintenance of protectionist tariffs, we have a much stronger ground of complaint against the United States, than we have against any other country. Consequently, in considering whether it would be expedient to impose a duty on some article of American produce, in order to retaliate upon her for the injury which is done to our trade by her protectionist tariff, the strongest case is taken that can be adduced, in support of what is called a policy of reciprocity.

It is frequently said by the advocates of reciprocity, that nothing can be more unjust than to allow various articles of American manufacture to be sent to England to compete on equal terms with our manufactures, when we are forbidden free access to the American market. Whenever trade

¹ Statistical Abstract from 1862 to 1867.

becomes depressed, great stress is laid upon the injury which we suffer from foreign competition; and the impression becomes widely spread that this depression is, at least in part, brought about by American goods forcing their way into our markets. But when the statistics of American trade are examined, it is at once made manifest that the injury which is thus done to English trade is so infinitesimal as scarcely to be worthy of consideration. The amount of manufactured goods which is sent from America to England is so extremely small that it could make scarcely any difference if this particular part of the trade between the two countries were to cease altogether. Reference is constantly made to the harm which is done to the cotton trade of Lancashire, and to the hardware trade of Birmingham, Sheffield, and other towns, by the importation of cotton goods and of hardware from America. Yet in 1876, a year of great depression, the value of the entire quantity of manufactured iron and steel imported into England from the United States, was only 241,839*l.*, and the value of the manufactured cotton imported from the United States to England was 451,876*l.* This importation, small though it is, was exceptionally large. In the previous year, the value of cotton goods imported from the United States to England was only 95,000*l.* And in 1877, it was only 163,000*l.*, or less than one-third of what it had been in 1876. The value of the entire quantity of manufactured cotton imported into England in 1876 was not more than 1,810,759*l.* The unreasonableness of supposing that this trifling importation could to any appreciable extent affect the prosperity of the English cotton trade, is at once made apparent when it is remembered that the value of the cotton manufactures exported from England in the same year amounted to no less than 67,641,268*l.*

It therefore appears that no influence of any moment could be produced by levying duties, as the advocates of reciprocity propose, on those articles of American

manufacture, imported into England, which come into direct competition with our own manufactures. If we desire to retaliate with effect upon America for the injury which by her tariff she inflicts on our commerce, we must levy duties, not on articles which only constitute a few insignificant items of her trade, but on articles which are exported in such large quantities, that, if the demand for them in England were to decline, the effect would be at once widely felt in America. The commodities which we import in by far the largest quantities from America are products which are either used as food, or which supply the raw material of our most important branches of manufacturing industry.

The following table, the items of which are condensed from the *Statesman's Year Book*, 1878, clearly shows that the produce which we purchase from the United States consists almost entirely of food stuffs, and the raw material of various manufacturing industries :—

Raw Cotton	£25,120,512
Wheat	12,017,659
Maize	8,656,338
Bacon and Hams	7,144,798
Beef and Pork	1,079,238
Cheese	2,564,977
Tobacco	2,182,099
Lard	1,411,147
Oil-seed Cake	1,322,852
Tallow and Stearine	1,244,512
Butter, Fruit, Hops, various Oils, Wood, Naphtha, Rosin, Skins, Furs, and Caoutchouc	5,442,150
	<hr/> £68,186,282

As the total value of the exports from the United States to England is 75,899,008*l.*, it appears that at least nine-tenths of these entire exports consist of the articles of food and raw produce enumerated in the above table.

If, therefore, we desire to make the American people suffer some of the same loss and inconvenience which they

inflict on our commerce by the protectionist tariff they now maintain, it would be necessary to impose import duties either on raw cotton, wheat, or on some of the articles of food which are imported in such large quantities from America. It would, no doubt, be possible in this way to do a very serious amount of injury to many of the most important commercial interests in America. It is supposed that one-half of the entire labour and capital of America is employed in agriculture. The prosperity of American agriculture would be materially impeded if, by the imposition of heavy duties, American produce was to any considerable extent shut out from the English markets. But the question at once suggests itself: Could we thus punish America without at the same time punishing ourselves? In endeavouring to answer this question it can, I think, be shown that although great harm would be done to America we should inflict a much more serious injury upon our own country.

Suppose, for example, that a duty of ten per cent. was levied on American cotton imported into England. This duty would increase the price of cotton in England, and as a consequence the demand for American cotton would somewhat diminish. England would, in fact, be not so good a customer for American cotton as she was before, and this would be undoubtedly a disadvantage to America. But how trifling is any loss which could be caused to America by this falling off in the demand for her cotton, compared with the widespread mischief which would result to England from the imposition of such a duty. Complaints recur at frequent intervals about the depressed condition of the cotton trade in England. It is often said that the home demand for cotton goods is not so great as it was, and that competition is so active that our manufacturers find it more and more difficult to obtain a profitable market in foreign countries. But if an import duty were imposed on raw cotton everything that is now regarded as unsatisfactory in our cotton trade must inevitably become more unsatisfactory. The

duty, by increasing the price of raw cotton, would make cotton goods dearer, and this would prejudicially affect the home demand. The consequences however to our foreign trade might be much more serious. If competition with our foreign rivals is now found difficult, what chance would there be of successfully competing with them, if we had to bear the burden of having to pay a higher price for cotton than that at which it could be purchased by foreign manufacturers? The Americans, it is said, are beginning to manufacture cotton goods nearly as cheaply as we can; and they would undoubtedly be able to make them much more cheaply, if we imposed a duty which caused us to pay an unnecessarily high price for raw cotton. The effect of such a duty might be to imperil the prosperity of our own cotton trade; whereas it might at the same time give an important stimulus to the manufacture of cotton in America. With regard therefore to the product which represents in value almost exactly one-third of our entire imports from America, we are precluded from pursuing a policy of retaliation, because any tax which we might impose on cotton would cause America a loss of trifling importance in comparison with the loss which we should inflict on ourselves.

It can, in a similar way, be shown that whatever harm might be done to America, by impeding the import of any of those articles of food which she sends to us in such large and increasing quantities, would react upon ourselves with redoubled force. Wheat next to cotton is the article which England purchases most largely from America. It has already been shown that in 1876 the value of wheat and flour imported into England from America amounted to 12,017,659*l.*, and in 1874 it reached the high figure of 17,120,016*l.* The American farmers would no doubt be considerable losers if they were prevented having a free access to our markets; but the loss which might be thus caused them scarcely deserves consideration when compared with the mischief which would be done to the entire English

nation by the imposition of even a very moderate duty on American wheat. Suppose the duty were 2s. a quarter, the price of all wheat in the English market, whether of foreign or home growth, would be raised by an amount equivalent to the duty, and consequently the duty would take from the English people an amount largely in excess of the revenue yielded to the state. If one-half of the entire quantity of wheat consumed in England were imported from America, the people, in the higher price which they would have to pay for their bread, would be just as much taxed, as if not only an import duty were imposed on foreign wheat, but an equivalent excise duty were levied on home-grown wheat. As such an excise duty would never of course be levied, the first effect of the import duty would be to give a protection of 2s. a quarter to English wheat growers. The additional price which would be obtained for English wheat, could not, as already explained, be permanently retained by the farmer, but would certainly be sooner or later appropriated by the landowner in the form of increased rent; or putting it in another form, the poorest classes would be taxed with the result of enriching the richest. But this taxation of a first necessary of life, serious though it would be, does not by any means represent all the mischief which might be produced by thus artificially increasing the price of wheat. As bread became dearer the general trade of the country would suffer, for all industry would be carried on under more unfavourable conditions. Suppose, for instance, that wages were advanced sufficiently to compensate the labourers for the rise in the price of bread, this advance would have one of two effects, either it would diminish profits, and as profits became reduced there would be less inducement to invest capital in industry, or if manufacturers attempted to compensate themselves for the higher wages by charging higher prices for their goods, this advance in prices might seriously affect the home demand for their goods, and thus

tend to neutralise the advantage the labourer had gained by higher wages ; it also would place the English manufacturers at a disadvantage in competing for custom in foreign markets. If, on the other hand, wages were not advanced sufficiently to compensate the labourers, then they would have to spend a greater portion of their wages in purchasing bread, and they would consequently be able to lay out less money upon other articles. This falling off in the demand of by far the most numerous class in the community would be felt by almost every trade in the country. It therefore appears that it is impossible for us to retaliate upon America for the injury which she inflicts on us by her protective tariff, because we cannot punish her without at the same time punishing ourselves to a far more serious extent. Although much is often said about the harm which is done to our manufacturers by American competition, yet it is conclusively shown by the trade statistics of the two countries that the manufactures which are imported from America are so trifling in amount that scarcely any effect at all would be produced even if their importation was entirely prohibited.

It will perhaps however be thought that these objections would not arise if England carried out a policy of retaliation and imposed reciprocal duties against other protectionist countries. It may be argued that whenever an article imported from abroad comes into direct competition with articles of the same kind produced at home, the home trader may be fairly protected against this foreign competition if the countries from which the imports come maintain against us protectionist tariffs. But even if our theoretical right to pursue such a policy is admitted, an insurmountable difficulty presents itself, if it is attempted to be carried out. Whenever there is any decline of industrial activity in this country, complaints are invariably circulated about foreign competition, and the depression of trade is sure to be attributed to the home market being overstocked with foreign goods ; it is at the same time said that our

merchants find that protective duties exclude them to a large extent from foreign markets. Just at the present time the iron trade is the particular industry which is most depressed, and from the remarks that are frequently made on the subject it appears to be generally assumed that this depression has been to a great extent brought about by iron being sent to our market from Belgium and other countries at a cheaper rate than the English iron-masters can afford to make it. But a comparison of the quantities of iron which England imports and exports, at once shows that foreign competition can have exercised but little influence in creating the present depression. In the year 1876 when the iron trade was most inactive, the entire quantity of iron and steel manufactured and unmanufactured imported into England amounted to only 2,520,973*l.* whereas the quantity exported was no less than 20,737,410*l.* These figures at once show that the foreign iron-masters cannot sell us iron at a cheaper rate than we can make it ourselves; because if they possessed any such advantages in the production of iron they would drive us out of those foreign markets to which they and we have equal access, and they would gradually appropriate to themselves the larger portion of our export trade. But instead of this taking place the entire value of iron and steel exported from Belgium, the country from whose competition it is said that England has so much to dread, amounted in 1876 to only 1,800,000*l.*, less than one-tenth of the value of iron and steel exported by England during the same year. Hence England has little to fear from Belgium in those foreign markets to which they have equal access. With regard to Belgian iron competing successfully against English iron in our own market, so little reason is there to suppose our trade can be thus injured that the quantity of iron and steel imported from Belgium into England is so trifling that it is not enumerated in her articles of export, whereas iron is mentioned¹ as one of the

¹ *Statesman's Year Book*, 1878.

chief articles which Belgium imports from England. In 1876, the value of the iron sent from England to Belgium was 574,813 $\frac{1}{2}$ l. It therefore appears that the Belgian iron-masters have far more to fear from the competition of England than the English iron-masters have from the competition of Belgium.

Example after example might be repeated similar to the one just described, which would show that the circumstances of England's foreign trade are such, that a policy of retaliation on her part, even if it were desirable, is impracticable. No single case can be brought forward in which English trade suffers to any appreciable extent by foreign products, underselling in our own markets the same articles of English manufacture. Even in those industries, where there are most complaints about foreign competition, not only will it be invariably found that the aggregate quantity which is imported represents a mere fraction of the entire quantity which is produced by the home trade; but it would be erroneous to conclude that this importation, small though it is, displaces goods of an equivalent value from the home market. Take, for instance, the importation of iron and steel. A very great variety of articles which are imported, are described under the general category of iron and steel. All sorts of implements, and various kinds of machinery, are included in this description, and as some of these, for example American sewing-machines, are not made in England, they cannot be considered to compete with English trade. In a few cases it has no doubt happened that some branch of English trade has for a time at least been injured by foreign goods being freely admitted to our markets. Great stress is laid by the advocates of reciprocity on the injury which was caused to the riband and silk trades of Coventry, Macclesfield, and other places by the abolition of the import duties on foreign silks at the time of the French Commercial Treaty. It is alleged that the French have been enabled so much to undersell us in our own

markets, that our silk trade has been almost ruined. It will, however, be found, that although French silks are more largely purchased in this country than formerly, yet any superiority which they are supposed to possess over English made silks does not arise from greater cheapness, but depends rather upon the better taste which is often shown by the French, both with regard to colour and to the selection of designs for patterns. It is also believed that the French climate, and the quality of the water at Lyons and other French towns, provide more favourable conditions for the dyeing of the silk, and the fixing of the colours, than are to be found in England. In such a case therefore, if the home manufacturer were protected against foreign competition, protection would be virtually given to him, not to secure him against the cheaper labour of his rivals, but to avert, both from employers and employed, the consequences of not taking the requisite trouble to acquire the skill and other qualities which are possessed by their foreign competitors, or of not being provided with equally great natural advantages. If the English silk manufacturers suffered in consequence of the competition of cheap French labour, there is no reason whatever why the same competition should not make itself felt in the cotton trade and other branches of manufacturing industry; and yet England still holds such undisputed supremacy in the cotton trade, that, whereas the value of the cotton goods which she exported in 1876 was 67,000,000*l.*, the value of the cotton goods exported by France in the same year was only 2,600,000*l.*

But even if it could not be proved as conclusively as I believe it can be, that so far as our own country is concerned, a policy of reciprocity is impracticable; the most cogent reasons might still be adduced why such a policy should not be adopted. Suppose that the injury which was done to the iron trade by foreign competition, were not as imaginary as it has been shown to be, and that Belgian iron and steel were sent in considerable quantities into the

English market. If an import duty were imposed with the object of checking this importation, the effect of such a duty would be not only to raise the price of the iron imported, but the price of all the iron produced in England would be advanced by an amount equivalent to the duty. At the present time, the aggregate quantity of iron imported into England is not one-fortieth of the quantity produced in England. But for the sake of argument let it be assumed that the quantity of iron imported is much larger than it is ; that after an import duty has been imposed, England imports one-tenth of all the iron which she annually uses. Under these circumstances it is evident that the duty would have the effect of taking from the general body of the English people, in the form of the increased price which they would be compelled to pay for iron, an amount ten times as large as that which the duty yields to the State. In 1875, the production of pig iron in England was 6,365,462 tons. If therefore the price of iron were raised one pound a ton by the imposition of an import duty of this amount, the English people would be taxed to the extent of at least 6,365,000*l.*, and the proceeds of this tax would not be devoted to the purposes of the State, but ultimately would be appropriated by those who were the owners of iron mines. The rise in the price of iron, thus artificially created, might in the first instance confer an advantage upon those who were concerned in the manufacture of iron, whether as employers or employed ; but, as already explained, competition would force down profits and wages to their normal rate, and the benefit would ultimately accrue to the owners of the mines.

The effect of thus raising the price of iron, in order to benefit a special limited class, would be widely felt throughout the entire nation. Everyone who used an article which was wholly or partly made of iron, would find the price he had to pay for it artificially and unnecessarily increased. The consequence of this rise of price to the general com-

munity would be precisely the same as if a tax were imposed on every article in which iron was used, on ships, machinery, railway metal, ploughs, harrows, spades, and on a countless number of articles in domestic use. It will be subsequently shown that if one special trade were thus subsidised at the public expense, others would promptly come forward to press their claims for similar consideration. . It would soon appear that no valid reason could be assigned why the protection given to one industry should be denied to others ; and the system, once commenced, would be rapidly and inevitably extended.

As a policy of reciprocity seems to derive its chief support from those who propose it as a remedy for industrial depression, it will be desirable, before leaving the subject, to show how materially this depression would be increased by the adoption of such a policy. Reverting to the example which has just been considered, it is obvious that if an import duty were placed on iron, and its price were thus raised, every industry in which iron was used would be carried on under more unfavourable conditions. The shipping trade, for instance, has shared in the general depression as much as any other industry in the country. But, depressed as it has been, it would become still more depressed if everyone who wished either to build or purchase a ship found that the iron of which it was constructed was taxed, in order to make it dearer. A mischief of a serious and a permanent kind might result to the trade, for if by the exclusion of foreign iron, English iron were kept at an abnormally high price, it might become advantageous for English shipowners to build their ships, not on the Tyne or the Clyde, but in some foreign port where cheap foreign iron could be used. Again, every manufacturer who purchases machinery, would in consequence of iron being dearer, have to pay a higher price for his machinery, and consequently the cost of producing his goods would be increased ; he would thus be placed at a disadvantage with

his foreign competitors. It therefore appears that whenever an attempt is made to protect one industry against foreign competition, an additional burden is thrown upon other industries, which places them at a disadvantage with their foreign competitors.

Although a great variety of other illustrations may be given to show that industrial depression would not be lessened, but would on the contrary be greatly aggravated by the adoption of a policy of reciprocity, yet it is not necessary to refer to the subject at greater length here, because there will be occasion to recur to it when proceeding to consider, in the next chapter, the leading arguments on which at the present time reliance is placed by those who support a system of protection.

compensation for the increased price they would have to pay for the product of this particular industry. They however obtain this compensation, if protection is so extended that the entire industry of the country participates in its advantages.

11. Protection has been defended on the ground that wages being higher in America and in the Colonies than in England the American and the Colonial traders require protection in order to place them in a position of equality with their English competitors.

12. Protection, having been once established, cannot be abolished without causing great loss to employers and employed in those trades which have been protected.

13. Protection can be advantageously introduced into a young country as a temporary expedient, since various industries which will ultimately prosper without protection require its aid in the early stages of their existence.

I will now proceed to consider these arguments in the order in which they have been stated.

1. *It will be observed that in the foregoing enumeration of the reasons which are advanced in support of protection the first position has been given to what is known as the "diversity of industry" argument, because there is no single point on which so much stress is laid by American and Colonial protectionists.*

It is contended that a country which has almost inexhaustible supplies of fertile land, considerable portions of which are still unoccupied, possesses such exceptional advantages for agriculture that its labour and capital will be chiefly concentrated on the production of raw produce; it is accordingly maintained that although it might be cheaper, for instance, for America to purchase from foreign countries various articles of manufacture with this raw produce instead of making the articles for herself, yet the gain thus secured would be dearly bought because of the harm which would be done to America if there were no variety in the occupations

of her people. If scarcely any industry were carried on except agriculture, many who were not suited for outdoor work but who could acquire a skill which would enable them to excel in some handicraft, might find it impossible to obtain any employment for which they were qualified; there would consequently be a great waste of industrial power. It is also alleged that the social development and progress of the country would be most seriously impeded, if the greater part of its population devoted itself to field work, and lived in scattered settlements; whereas if manufactures were established people would become more concentrated, the growth of towns would be ensured, and in addition to the foreign demand, there would arise a large home demand for agricultural produce.

It is evident that the whole of this reasoning rests on the hypothesis that it is impossible for manufacturing industry to exist in a young country unless it receives the fostering aid of protection. It can, I believe, be shown that this hypothesis is not warranted either by theory or by experience. When a country is first settled and is consequently very sparsely peopled, it possesses no sufficient supply of labour for the establishment of manufactures on an extensive scale. Gradually however as population increases there will arise various branches of domestic industry which will supplement and assist in various ways the labour of those who are engaged in agriculture. However purely agricultural the industry of a country may be, there must always be a great deal of work to be done which will provide many different kinds of employment besides the mere tilling of land. Houses and other buildings have to be erected, roads have to be made, agricultural implements and machinery have to be repaired, and the cost of carriage will make many articles, especially those of a bulky kind, so expensive to import that, although labour may be dearer in a new country, it will be found cheaper to make the articles at home. The various trades and handicrafts which are

thus called into existence will create an increasing demand for skilled labour, and in this way that industrial uniformity about which the protectionists express so much alarm will be avoided. It has been already explained that the home trader, even where no protective duties are imposed, enjoys a natural protection so far as the home market is concerned, because he can bring his produce to this market at a much less cost, than can his foreign competitors.

Although the desirability of securing diversity of industries is constantly put forward as one of the chief reasons why protection is supported, yet the tariff which is at the present time maintained in the United States affords a conclusive proof that motives of a very different kind must exercise a powerful influence on those who favour protection. It will be found by referring to this tariff, that protective duties are not solely imposed on manufactures. No article for instance is subjected to a heavier import duty than timber. It cannot be supposed that by excluding Canadian and other timber from the American market and thus making timber dearer than it otherwise would be, the growth of towns will be encouraged, and that a greater amount of suitable employment will be forthcoming for those who possess the skill required in various handicrafts and who are not fitted for rough out-door work. Such a duty exercises an influence in exactly the opposite direction: for when the home timber trade is thus artificially encouraged by protection, a greater number of the population are scattered far and wide over the country, employed in cutting timber and bringing it to market. The most serious objection to be urged against the policy of imposing duties in order to force into an unnatural existence certain branches of industry arises from the fact, that when the aid of such an agency has once been resorted to, its future operation cannot be controlled. Although it may have been intended by those who first introduced protection into the United States, to do nothing more than give a temporary assistance to certain

manufacturers in order to enable them to struggle against the difficulties which often beset a new industry, yet the aid which was thus given, far from being temporary, has been continued for nearly a century ; and instead of a few products being protected against foreign competition there is scarcely a single article that can be produced in the United States which is not now subjected on importation to a high protective duty. This extension of protection is not due to any accidental circumstances. Fire is not more certain to spread amongst inflammable material than is protection when once sanctioned to embrace a constantly increasing number of industries within its influence. Each new protective duty which is imposed inevitably creates a demand for more protection in other industries. The iron-masters, for example, of the United States may not improbably demand a greater amount of protection, for high as are the protective duties now imposed on imported iron, amounting in some instances to 100 per cent., foreign iron still finds its way in considerable quantities to the American market. In 1874 no less than 3,000,000*l.* worth of iron was imported. This influx of foreign iron, it may be urged, constantly forces down prices, deprives the iron-masters and those whom they employ of a part of the prosperity to which they are fairly entitled when trade is active, and intensifies the depression of adverse times. If a demand for more protection were conceded, the supply of foreign iron in the American market might be greatly curtailed and the price of American iron would be considerable increased. But the moment this advance in price occurred a signal would be given to demand more protection in a great number of other industries. Every article which was made of iron would become dearer, and those who had to purchase these articles would find a new burden imposed upon them. The American cotton and woollen manufacturers might fairly say—"It has been scarcely possible for us to hold our own against our foreign competitors, but now that in order

to benefit the iron trade the price of iron has been increased, we have to pay more for our machinery ; this places us at a disadvantage compared with English, French, and other manufacturers ; we have consequently a right to demand an increase of protection, in order to compensate us for the advantage which would otherwise be given to our foreign rivals."

In discussing the various arguments which are adduced in support of protection it will not be sufficient to consider the subject simply in its economic aspects. Thus, as already stated, the social and other benefits which are conferred upon a country by its possessing a diversity of industries are supposed to provide an ample compensation for any economic loss which may be caused by protection. As complaints are constantly made by protectionists that their opponents persistently ignore all the results of protection which are not economic, I will be careful to consider these results, and I shall be the more anxious to do so because without such consideration the real magnitude of the mischief which is done by protection cannot be adequately understood. There is nothing more calculated to exercise a deteriorating influence upon a country than to encourage its industrial classes to be perpetually looking to the State for assistance. When a nation becomes thoroughly imbued with the doctrines of protection, it seems to display towards competition the same sort of helpless terror as is shown by a timid child terrified by the fancied presence of a ghostly apparition. The statistics of exports and imports are eagerly scanned, and whenever the import of any particular article is discovered to be on the increase a piteous cry is raised for more legislative protection against this growing foreign competition. Instead of trying to ascertain whether if the foreign producer is gaining an advantage, it is not being secured through greater industrial enterprise, recourse is immediately had to all the political artifices by which any particular trade interest can bring its influence to bear on

the government. The efforts which are thus being constantly made by those engaged in different industries to secure legislative aid, have probably done more than anything else to encourage that "lobbying" and "wire pulling" which form such prominent features in the politics of the United States. No inconsiderable portion of the energy of her public men, which should be devoted to further objects of national importance, is employed in gaining for some particular trade what is supposed to be the privilege of a higher protective duty. This opinion is forcibly confirmed by an able American economist, Professor W. G. Sumner, who says:—

"This continual law-making about industry has been prolific of industrial and political mischief. It has tainted our political life with log-rolling, presidential wire-pulling, lobbying, and custom-house politics. It has been intertwined with currency errors all the way along. It has created privileged classes in the free American community, who were saved from the risks and dangers of business to which the rest of us are liable. It has controlled the election of congressmen, and put inferior men in office, whose inferiority has reacted upon the nation in worse and worse legislation. Just now we are undergoing a spasm of indignation at official corruption, and we want to reform the civil service, but there is only one way to accomplish that, and that is to cut up the whole system which has made the civil service what it is."¹

It would therefore seem to be conclusively established that protection may produce social and political consequences even far more mischievous than the economic loss it causes to a country.

2. *The second argument in favour of protection is, that by encouraging various branches of home industry, a community is made much less dependent upon foreign countries.*

This argument may be at once admitted to constitute the

¹ *Lectures on the History of Protection in the United States*, by Professor W. G. Sumner.

only logical basis on which a protective system can be supported ; for if it could be assumed that the normal condition of a country was to be perpetually at war with its neighbours, it would become of the first importance to make it, as far as possible, industrially independent of them. Under such circumstances it might be expedient, at whatever cost, to impose protective duties with the view of establishing and maintaining various branches of home industry. It is on grounds such as these that protection is probably most frequently defended. Thus the French consider that they are amply justified in imposing a protective duty on salt, because without such a duty, no salt would be produced in France, and all the salt which the French people consume would consequently have to be imported. It is said that in time of war, the coast of France and her frontiers might be so effectually blockaded that no salt could be imported ; time would be required to create the necessary appliances for its manufacture : her people might thus be deprived of the supplies they required of a first necessary of life, and they would be placed at a great disadvantage in the war in which they might be engaged. It is therefore maintained that rather than incur this risk it is better for the French people to pay an increased price for the salt which they consume. Let us however endeavour to estimate the exact degree of risk which France would incur of being deprived of its supplies of salt if it were freely imported, and then we shall be better able to judge whether the price which is now paid to avert this supposed danger can be regarded as a wise and judicious expenditure.

It is scarcely possible to imagine any conjuncture of circumstances which would cause France to be engaged in such a universal war that she had not a single ally or a single neutral power on her frontier. The first Napoleon was at one time carrying on war with the greater part of Europe ; and yet there was never a moment even in his unparalleled career of military aggression, when all the coasts and all the

- frontiers of France were so completely blockaded that no foreign product could find its way to her markets. There would therefore seem to be every reason to conclude that the danger which protection is supposed to avert is a purely imaginary one. But even if we admit the bare possibility of its occurrence, the question is at once suggested, Cannot some other means be devised of guarding against it, which will prove less burdensome to a country, than compelling its entire people, whether rich or poor, to pay an unnecessarily high price for articles of the first necessity? The consumption of salt in France for domestic purposes may be estimated at about 360,000,000 lbs. Salt is subjected to an excise duty in France of 4s. per cwt. ; but the duty which is imposed on foreign salt when imported being thirty-three per cent. higher than the excise duty, French salt is by this duty so effectually protected that scarcely any salt is imported. It is affirmed on the authority of those who have an intimate practical knowledge of the salt trade that this restriction of foreign importation increases the price of salt in France by a halfpenny a pound ; consequently the protective duty imposes a tax on the French consumers of salt of at least 750,000*l.* a year, beyond the amount which the duty on salt yields to the French revenue. When it is remembered that salt is used for many purposes in manufacturing and agricultural industry, it is a moderate estimate to assume that the protective duty on salt annually imposes a fine of 1,000,000*l.* on the French people, beyond the amount which is directly levied from them by the salt tax. This 1,000,000*l.* a year is taken from them, in order to give encouragement to the home manufacture of salt, and in order to make France independent of foreign supplies. It has also to be borne in mind that the protective duty, although it imposes this heavy fine on the French people, far from adding anything to the revenue, actually diminishes it to a considerable extent. If no protective duty were imposed on foreign salt, and if the excise and import duty were exactly

the same, the price of salt would be materially reduced in France: the consumption of salt would consequently be increased, and the revenue would be proportionately augmented, if the import duty were reduced to the same rate as the present excise. Not only therefore does protection injure the revenue, but by unnecessarily increasing the price of salt it imposes a tax of at least 1,000,000*l.* a year on the French people. Not one shilling of this large amount can be appropriated by the government to the general purposes of the State, for it has to be entirely devoted to compensate the French manufacturers of salt for the disadvantages under which they carry on their industry, compared with the favourable conditions under which salt can be produced in England and in other countries.

It is not necessary to express any opinion here with regard to the expediency of taxing such a necessary of life as salt. I am simply attempting to trace the effect of preventing the importation of salt by a protective duty; and however high the duty imposed on salt might be, it would cease to be protective if home-made and foreign salt were taxed at the same rate. From the figures just given an idea can be formed of the price which is annually paid by the French people, with the object of guarding themselves against the remote contingency of a war so universal that every avenue by which foreign produce could find its way into France would be completely closed. As such an event has never yet happened, the greatest alarmist can scarcely suppose that it will occur more than once in a century. It would thus appear that in order to provide against it a contribution amounting in the aggregate to 100,000,000*l.* would be levied from the French people.

If this policy of making a country independent of foreigners is to be carried out, it will not be sufficient simply to protect the home manufacturer of salt against his foreign competitor. The home production of numerous other articles must be similarly fostered; the price of all these must be

artificially raised to such a point as will compensate the home trader for the disadvantages under which he may have to carry on his industry, and thus the loss which is caused to France by making her independent of foreign countries for her supplies of salt may be indefinitely increased. A most serious burden might in this way be cast upon the entire industry of a nation, and even in periods of profound peace a country would thus be virtually making the most costly preparations for war. If it were really worth while for a country to take precautionary measures against a danger so shadowy and remote, it would be far cheaper on the eve of hostilities to accumulate stores of the products which are imported, than for the people constantly to have to bear the serious loss which is inflicted on them by articles which they are obliged to purchase being made unnecessarily dear.

Although the supposed desirability of making a community independent of foreign countries is one of the arguments most commonly advanced in favour of protection both in America and in our Colonies, yet all the reasons which have been adduced against protection being maintained for this purpose by such a country as France apply with tenfold force to the United States and Canada. Great as is the improbability that France can ever be cut off from her supplies of foreign products, the improbability is still greater that the United States, Canada, and Australia, with their thousands of miles both of land and sea frontier, could ever be so completely surrounded by hostile forces that they could not continue to obtain supplies from foreign countries.

3. *It is argued in favour of protection, and especially by writers on the subject in America, that the cost of exporting produce being paid by the exporting country, America would be placed at a disadvantage compared with England if the commerce between the two countries consisted chiefly in sending raw produce from America in exchange for manufactured*

goods; because the former, being in proportion to its value more bulky than the latter, will be more expensive to export.

It can be readily shown that this argument possesses no validity, for it is based on the erroneous assumption that the cost of exporting produce is paid by the exporting country. In order to prove the fallacy of this assumption, let us inquire what would be the effect of reducing from 6s. to 3s. the cost of sending a quarter of wheat from New York to Liverpool. If, after this reduction in freight took place, American wheat continued to sell in England at the same price as it did before, the profit realized on every quarter of American wheat sold in England would be increased by 3s. This opportunity of securing extra profit would inevitably cause increased supplies of American wheat to be sent to England, and this would continue until the price of American wheat was so much reduced in England that it was not more profitable to sell it there than in America. The difference in the price of wheat in New York and in England cannot be permanently greater than is the cost of exporting wheat from New York to England. If therefore this cost is reduced, the price of American wheat in England must be also reduced by nearly an equivalent amount. The fall in price would not probably be quite equal to the reduction in the cost of carriage; because as American wheat became cheaper in England, the demand for it would become greater, and this increase in demand might produce a slight rise in its price in America. It still, however, is certain that a lessening of the cost of carriage would produce a reduction of price in the importing country of almost exactly the same amount, and consequently it follows that the cost of carriage instead of being borne, as is assumed by American protectionists, by the exporting country, falls almost entirely upon the importing country. It is obvious that the first effect of a rise in the freight between America and England would be to increase the price, to the English consumer, of wheat and all other produce

imported from America; and any reduction in freights would in the same way confer a greater advantage upon England than upon America, because the price of all American produce in the English market would be reduced by an amount nearly equivalent to the saving in the cost of carriage.

4. *The next argument advanced in support of protection is that the home trader needs protection, because, since he has to pay various taxes which cannot be levied from his foreign competitors, it is necessary, in order to place him on a position of equality with them, that he should receive some compensating advantage.*

With regard to this argument it may be remarked that the foreign producer has to pay the taxes which are imposed in his own country, and it is a mere matter of chance whether these taxes in the aggregate are heavier than those that are imposed in the protectionist country. If protectionists argue that the burdens on production are always more onerous in a protectionist country, such an admission may be fairly regarded as a conclusive condemnation of the protectionist system. The aggregate amount which has to be raised by taxation in an old country, such as England, is in proportion to her population far larger than is required by the government in the United States. The imperial revenue raised in England at the present time represents a charge of about 2*l.* 10*s.* a head; whereas in the United States the charge is less than 1*l.* 10*s.* a head. If therefore the raising of this larger amount in England proves less burdensome to her industry than the raising of a smaller amount in protectionist countries, it proves that their system of taxation is radically defective.

It is also worthy of notice that if the home trader is to be protected in proportion to the taxation which he has to bear, each addition that is made to taxation in a protectionist country will become doubly burdensome to the general community; because it will create a demand for

fresh protection. Thus if a larger revenue is required in America, and it becomes necessary to impose a tax on dwelling-houses and business premises, the American manufacturer would immediately put forward a claim for more protection. He might, for instance, urge that before this new taxation he was only just able to compete with his foreign rivals; the new burdens which he has to bear will place him at a disadvantage, and he will, therefore, claim that he should be compensated by heavier import duties being imposed on the goods which come into competition with those which he produces. The price of cotton and woollen goods, of iron, and of various other manufactured articles, would thus be increased through the imposition of these higher duties. Consequently the people would be doubly taxed: they would not only have to provide the additional revenue which is required, but they would have to pay a higher price for all those various articles which were subjected to increased import duties. The increase of these duties, although extremely burdensome to the people, might not yield any additional revenue to the State; on the contrary, importation would probably be restricted, and thus the revenue yielded might be less than it was before.

The argument we are now considering affords a striking illustration of the mischievous influence which must be exerted by protection, if a policy of commercial restriction is carried out with logical consistency. The tendency of protection must necessarily be, to deprive the population of the country in which it is maintained, of the advantages arising from any improvements in productive industry, which may be introduced into other countries. Thus, if a mechanical invention cheapened the production of a manufactured article in England, or reduced its cost of carriage so much that the English manufacturer was able to sell it in the United States at a reduction of ten per cent. on its former price, the American manufacturer would immediately put forward a claim to higher protective duties. It is in

strict accordance with the principles of protection that this claim should be granted; and if it were granted the American people would lose the benefit they would otherwise gain in being able to purchase a particular article at a considerably reduced price. In the absence of protection, the home manufacturer who found himself placed at a disadvantage in consequence of his foreign competitor having adopted some mechanical improvement, would endeavour to improve his own manufacture, so as to be able to sell his goods at the same rate as the foreigner. It would thus become a trial of skill against skill, instead of a competition of skill against restriction.

5. *One of the most important advantages claimed for protection by its advocates, is that it not only encourages various branches of home industry, but discourages the trade of foreign countries to a corresponding extent.*

Thus it is argued that if iron were freely imported into the United States, the many millions which are now expended in America in the purchase of iron, instead of being distributed amongst the American manufacturers of iron and their workpeople, would be sent to England. Such a transfer it is assumed would enrich England and impoverish America. It is, however, evident that those who hold this opinion must consider that a community is injured by any circumstance which promotes the prosperity of neighbouring countries. Protectionists may perhaps hesitate to avow such a doctrine when stated in plain terms, but it can be readily shown that this is the conclusion to which the principles they profess inevitably lead.

Protection, as previously remarked, may be regarded as a survival of the mercantile system; the opinions which were propounded by its adherents bear a remarkable resemblance to those which are expressed by the protectionists of the present day. Thus when they insist on the harm which would be done to America if iron were more largely imported from England, they constantly speak as if

the additional iron which would be bought from England would have to be paid for with hard cash, and it seems to be thought that America would constantly have more and more money drained away from her. Nothing, however, is more certain than that if America purchased goods more largely from England, the English people would in their turn increase their purchases of American produce. If it were advantageous for a country as far as possible to diminish the quantity of products imported, that country would derive the maximum profit from foreign commerce whose exports were large compared with her imports. To secure a large excess of exports over imports seems in fact to be the goal to reach which protectionists are ever striving. Side by side with the imposition in the United States of innumerable import duties, many of which are so high as to be prohibitive, such eager anxiety is shown that not the slightest impediment should be thrown in the way of foreign countries freely purchasing American produce, that not only is no proposal ever made of levying an export duty in the United States, but the imposition of such a duty is forbidden by the American constitution. Amongst French protectionists the same terror is shown of an excess of imports over exports. Thus in a recent address of the Chamber of Commerce of Elboeuf, protesting against the renewal of the Commercial Treaty with England, it was stated that whereas in 1875 the exports of France exceeded her imports by 297 million francs, in the next year the imports were in excess of the exports by 271 million francs, and it was said that consequently there had been a transfer in this period of nearly 600 million francs "to the prejudice of France." But if a country is benefited by its exports and injured by its imports, we are led to the conclusion that a community is enriched in exact proportion to the smallness of the return which it receives in exchange for the produce which it sends abroad. But if this were the case a community would derive the maximum advantage

from foreign commerce when in exchange for various useful products which it exported it received scarcely anything except money. Such a result might no doubt be brought about if a protectionist policy were carried out with sufficient thoroughness and completeness. Suppose for instance that protective duties were increased in the United States; the quantity of articles imported from England and other countries might be greatly diminished, whilst the demand of these countries for American produce would continue. If English harvests, for example, were deficient and America had wheat to spare, this wheat would be gladly purchased by the English people. They would not deprive themselves of bread because America had increased her import duties. If, however, produce continued to be thus exported whilst imports were more and more reduced, a larger portion of these exports would have to be paid for with money, and a larger amount of money would consequently have to be annually transmitted to America. This being the case the question is at once suggested, would such a transmission of money be more advantageous to America than if, in exchange for the products she exported, she obtained various manufactured goods and other articles which would minister to the wants and enjoyments of her people?

The value of gold and silver is determined by the same laws as those which regulate the value of other articles of mineral produce. If money were constantly poured into a country in the manner just supposed its supply would be increased, and its value would proportionately diminish. Hence, a commerce which consisted in exporting useful products in exchange for money, instead of being peculiarly beneficial would really be specially disastrous to a country; for produce would be sent abroad which might be used in furnishing the people with the necessities and enjoyments of life; and in exchange for the real and tangible advantages which were thus parted with, nothing would be secured but an increased supply of money, with a

consequent depreciation in its value, producing a rise in general prices.

The policy having been once commenced of creating a "favourable balance of trade" by discouraging imports, could not be continued without imposing more and more onerous and mischievous restrictions on commerce. The rise in general prices which it has been shown would occur in America if she were chiefly paid for her exports with money and not with produce, would obviously tend to diminish the amount of her exports and to increase her imports. If wheat and maize and other articles became dearer in America a less quantity of these articles would be purchased by other countries, and consequently her exports would diminish. At the same time the rise in prices in America might make it profitable for England and other countries to send goods there which before could not be sent except at a loss, and this increase in imports would cause the imposition of higher protective duties to be demanded.

The case which has just been investigated affords another example of the fact that any injury which a country inflicts on the commerce of other nations, instead of yielding her any advantage, is sure sooner or later to react upon herself, and generally with redoubled force. Protectionists, as we have seen, are always most anxious to promote exports and to discourage imports; and yet every new protective duty which is imposed is just as effectual in impeding an export trade as if a duty were levied on every article which is sent abroad. It has, for instance, just been shown that an inevitable result of a protectionist policy is to make the articles which are exported dearer, and consequently to diminish the foreign demand for them. This falling off in the foreign demand will still further be aggravated by the loss which a country inflicts on others besides herself by the maintenance of a protective tariff. England no doubt suffers seriously from the protective duties of America, but the more serious

the injury which is thus inflicted on her, and the greater the loss of wealth which it causes, the more will her power of purchasing the goods which America wishes to send her be diminished. If trade improved in England, if employment became more abundant, if profits increased and wages advanced, there is not a single article of general consumption for which the demand would not increase ; and this increase in demand is just as certain to take place, whether the article is made at home or whether it is imported.

6. *It is argued by protectionists that a protective import duty is ultimately almost entirely paid by the foreign producer, and it is therefore supposed that protection secures the double advantage of compelling foreign countries to contribute to the home revenue, whilst at the same time encouragement is given to home industry.*

This argument is supported with much ingenuity by a well-known American economist, Mr. Francis Bowen.¹ It is contended by him that if America imported 40,000,000*l.* worth of manufactured goods when an import duty of 10 per cent. was levied, and if when this duty was raised to 35 per cent. only 20,000,000*l.* worth of goods were imported, the government would not only obtain a larger revenue from the smaller importation, but England in consequence of the falling off in the demand for her goods would be compelled to sell them at a lower price. It is therefore urged that the effect of a protective duty is to enable a country to purchase foreign produce at a cheaper rate, and consequently the country which maintains protection is placed in a position to make a better bargain with those from whom this produce is bought. In this reasoning the fact is altogether ignored that although the price which the English may obtain for their goods is somewhat less than it was before the duty was raised, yet this reduction in price is extremely trifling compared with the extent to which the price is raised in the importing country in consequence of the increase of duty ;

¹ See *American Political Economy*, by Francis Bowen, p. 487.

therefore those who purchase the article in America, although they may find its price not advanced by the full amount of the duty, yet the advance will be sufficient to cause by far the greater part of the duty to fall upon those who consume the article in America, and not upon those who produce it in England.

In order to show this, let it be assumed, following the example given by Mr. Bowen, that 100,000 pieces of woollen cloth, the value of which in England is 1,000,000*l.*, are exported from England to America when the import duty is 10 per cent. Suppose the cost of the carriage of this cloth is 1*l.* a piece, and the duty being 10 per cent. will also be 1*l.* a piece. Consequently the price at which the cloth will sell in America will be approximately 12*l.* a piece because the price must be sufficient to provide a compensation for the cost of carriage and for the duty. If the price were more than sufficient to do this it would be more profitable to sell cloth in America than in England, and the price would be inevitably forced down by those who had cloth to sell being naturally anxious to secure the advantage of this extra profit. If, on the other hand, the difference in the price of cloth in the American and English markets were not sufficient to pay the cost of carriage and the duty, then it would be less profitable to sell English cloth in America than in England, and English manufacturers would consequently refuse to export cloth. When the duty is raised from 10 per cent. to 35 per cent., a piece of cloth which was worth 10*l.* in England would have to be sold in America not at 12*l.* but at 14*l.* 10*s.* because the difference between its price in the two markets must be sufficient to cover the duty as well as the cost of carriage; the cost of carriage is still 1*l.*, but the duty, having been raised from 10 per cent. to 35 per cent. is 3*l.* 10*s.* The protectionists however are no doubt right in their contention that with this great increase in the price of English cloth in America, there would be a considerable falling off in the American demand. Accepting the

hypothesis on which the argument advanced by Mr. Bowen is based, let it be assumed that the importation of English cloth into America is reduced from 100,000 to 50,000 pieces. This diminution in the demand for cloth would undoubtedly affect its price in England, but the reduction in price would inevitably be small when compared with the increase of duty. The price cannot permanently fall below such a point as will make the manufacture of cloth less remunerative than other branches of industry.

It would be an excessive estimate to suppose that a falling off to the extent of one-half in one branch of the foreign demand for English cloth, resulting from an increase of the American protective duties, would cause a reduction in price of 10 per cent. But even if it is assumed that the price is reduced by this amount, a piece of cloth which before was worth 10*l.* in England would now be worth 9*l.*, and its price in the American market would be 13*l.* 3*s.* instead of 14*l.* 10*s.*; because the difference in its price in the two markets must be sufficient to pay the cost of carriage, which is 1*l.*, and the duty, which is 3*l.* 3*s.*, being 35 per cent. on the value of the cloth which is now 9*l.* It therefore appears that although the price of English cloth in America is not advanced by the full amount of the increase of duty, yet the price is raised from 12*l.* to 13*l.* 3*s.*; in fact cloth is made so dear that the American people can only afford to buy half as much from England as they formerly purchased. An injury will no doubt be inflicted on English trade by this falling off in the American demand: it must however be borne in mind that the loss which may be thus caused to a special branch of English industry may bring with it a compensating advantage. Thus it has been assumed that owing to less cloth being exported to America, cloth becomes cheaper in England by 10 per cent. Everyone therefore who wishes to purchase English cloth, whether at home or abroad, will be benefited by its being thus made cheaper. With this fall in price, the general demand will

increase ; this will inevitably lead to a considerable recovery in the price of cloth, and this circumstance will go far to compensate the English manufacturers for the falling off in the American demand.

It therefore appears that instead of a protective duty being chiefly paid, as American and other protectionists suppose, by foreign countries, such a duty must cause a much more serious loss to the community which imposes it than it causes to those countries who export the produce on which the duty is levied. Thus it has been shown in the foregoing example, that whatever loss might ultimately be caused to the English cloth manufacturers by an increase of the American import duties on cloth, this loss is, so far as the English people are concerned, accompanied by the advantage that they are able to purchase cloth at a somewhat lower price. One special branch of English trade is injured : whereas the general body of English consumers are benefited. In America, however, where the higher protective duty is imposed, exactly the reverse takes place. Whatever effect the increased duty may have upon the American cloth manufacturers, the increase of the duty causes a most serious loss to the American people.

The arguments that are adduced in favour of protection so habitually ignore the interests of the general consumer, that it is of the first importance to remember that in the case just investigated, the increase of the protective duty on cloth would not simply raise the price of imported cloth, but would produce a corresponding advance in the price of all the cloth which was purchased by the American people, whether of home or of foreign manufacture. If therefore, of the entire cloth used in America only one-twentieth were imported, the protective duty on cloth would impose a fine on the American people twenty times as large as the amount which the import duty yielded to the revenue. The injury therefore which is done to a foreign country by the imposition of a protective duty, is trifling compared with

the injury which the country imposing the duty inflicts on herself.

7. *A striking illustration is afforded of the opposite aspects under which the advantages of protection are represented by its advocates, when it is argued that the general body of consumers cannot be injured by protection, because profits and wages are not higher in the protected industries than in those which are not protected.*

The employment of such an argument is imprudent, because the fallacy which it involves can be readily explained; whilst the admission it contains, as to the equality of wages and of profits in protected and unprotected industries, affords a complete refutation of many of the arguments on which most reliance is placed by those who support protection. Such an admission in fact disposes of a very considerable number of the reasons which are ordinarily urged in defence of protection. If it is conceded that profits and wages are not higher in trades which are protected than in those which are not protected, it at once becomes evident, as we have attempted to show in a previous chapter, that if commodities are made dearer by protection, the loss which is thus caused to the consumer of these commodities is not counterbalanced by any special advantage being enjoyed by those who supply the capital and labour requisite to produce them. When the price of any product is increased through protection, the extra price does not represent higher profits or wages, but is simply an equivalent for increased cost of production.

In order to prove the fallacy involved in the argument that the consumer cannot be injured by protection because the imposition of a protective duty, in any branch of industry, does not increase its wages and profits beyond the average rate, it is only necessary to consider what would be the effect of again levying in England an import duty on corn. As previously explained, the inevitable effect of such a duty would be to raise the price of corn in England. Less

foreign corn would be imported, and more would be grown on our own soil. This rise however in the price of corn, as is admitted by the protectionists in the argument we are now considering, would not increase the profits of the farmer; the extra price which he received for his corn having to be devoted to pay the additional rent which now would be demanded from him, he would gain nothing; but the fact that he is not benefited, would not in the slightest degree lessen the loss which would be inflicted on the general body of the consumers; for, in consequence of the protective duty, everyone would find that he had to pay more for the bread he purchased.

8. *It is alleged that protection must be economically advantageous, because when a country produces commodities for itself, instead of obtaining them from abroad, the labour employed in transporting them is saved, and this labour is assumed to be unproductive.*

There is, however, not the slightest foundation for the assumption that the labour employed in transporting a commodity is in any degree more un-productive than the labour which is employed in actually producing it. The labour of the ploughman who ploughs the land on which wheat is grown, is not more useful or essential than is the labour of those who bring the wheat to the place where it is required for consumption. The finest fields of wheat would be perfectly worthless if the wheat had to be left on the fields where it grew. There may be millions of tons of coal at the pit's mouth, and this coal would be of no more use than if it had never been dug, unless there is labour to convey it to the places where it is wanted.

It is supposed that a coal-field extends under the entire town of Liverpool. If this is the case, it would be possible for the people of Liverpool to obtain coal close to their own doors. This coal, however, being at a much greater depth than the coal in other coal-fields in the locality, would be more expensive to work. Let it be assumed that the

additional cost of working the coal will be 5s. a ton, and that the cost of carrying coal from the coal fields which now supply Liverpool is 2s. a ton. It is obvious that this cost of carriage would be saved, if the coal immediately below Liverpool were worked. But in order to save this 2s., 5s. would have to be spent; and therefore the net loss on each ton of coal used in Liverpool would be 3s.

It therefore appears that saving the labour employed in transporting produce is not necessarily economically advantageous, for the amount thus saved may be altogether inadequate to the increased cost involved in obtaining a commodity under more unfavourable conditions.

9. *Protection has been represented to the working classes in America as conferring a great benefit upon them, because it is said that wages are higher in the protected industries in America than they are in the same industries in free-trade England.*

Even if the difference in the remuneration of labour in the United States and in England had continued to be as great as it was formerly, it is obvious, after what was stated when considering the seventh argument, that this difference in wages could not have been due to protection. It was shown that protectionists themselves admit that wages are not higher in protected than in unprotected industries; consequently the greater remuneration which labour obtains in one country than in the other must be due to causes which are independent of protection, and which exert a similar influence upon all employments. A consideration of some of the more prominent features in the economic condition of England and America respectively will at once enable us not only to say what these causes are, but will also show that far from protection increasing the remuneration of labour in the United States, it is gradually depriving labour of so much of its productiveness, that it seems probable wages will soon be reduced there to the same level which they have reached in England.

The most striking point of difference in the economic position of England and the United States, is the comparatively small quantity of fertile land which is possessed by the former country in proportion to its population. The quantity of food which is grown upon English soil would be altogether inadequate for the support of its population ; and each year we are becoming more and more dependent upon America to make good this deficiency in our supplies of food. It is calculated that the quantity of wheat annually consumed in England is about 22,000,000 quarters ; the yield of our own harvest this year is estimated at 9,000,000 quarters. 13,000,000 quarters will consequently have to be imported, and by far the larger portion of this will be obtained from America. The quantity of meat, butter, cheese, and other articles of food which are annually imported from America is rapidly increasing. It is not, however, only with regard to food that England has so largely to depend on foreign countries for the supplies she requires. A great part of the raw material which is used in many of her most important manufacturing industries is not obtained from her own soil. For instance, a very large portion of the wool which is annually manufactured in England is of foreign growth ; and the English climate not being suited to the production of silk and cotton, all the raw silk and raw cotton which she requires must necessarily be imported. So large a portion of this cotton is obtained from the United States, that the value of the raw cotton which is imported thence has in some years amounted to 30,000,000*l*. It therefore appears that the United States, when compared with England, enjoys the great advantage of possessing a more abundant and cheaper supply, not only of food, but also of the products which provide the raw material of the most important branches of manufacturing industry. It would seem necessarily to follow that wages and profits would both be much higher in the United States than in England. Fertile land is so plentiful in the former country,

that it can be obtained in any quantity for the payment of almost a nominal sum ; whereas those in England who wish to cultivate land often have to pay in a single year, in rent, as much as would represent the fee-simple of land of the same quality in the United States. In the one country the entire produce of the land may be devoted to remunerate capital and labour ; whereas in the other country a not inconsiderable portion of the produce has to be appropriated as rent. The amount which an English farmer has to pay in rent is often equivalent to the entire amount which he expends in wages. Consequently there will be a smaller aggregate sum left to be divided in the form of profits and wages amongst those who have supplied the capital and labour requisite for the cultivation of the land. It therefore appears that a higher rate of profits and wages must be yielded by agriculture in the United States than in England, and as it has been proved that wages and profits in different industries in the same country approximate to equality, it follows that capital and labour ought both to obtain a higher remuneration in the United States than in England. This higher remuneration is due to circumstances which are altogether independent of protection. It can, moreover, be shown that an influence of so exactly an opposite kind is exerted by protection, that at the present time it is imposing on the industrial classes in America a burden, which to a great extent is neutralising the advantages conferred upon them by the possession of those great natural resources to which attention has just been directed.

A change of the utmost significance has recently taken place in the economic relations between England and the United States. For many years a large stream of emigration continuously flowed from Great Britain and Ireland to America. Those who left were so well satisfied with their new home, that between 1847 and 1864, the Irish emigrants alone transmitted 10,000,000*l.* from America, to enable their friends and relations in the old country to go and

share the prosperity and comfort which they were then enjoying. It has, however, now come to pass that labourers seem as desirous to leave, as they once were to reach, the United States. The tide of emigration, once so strong, is now beginning to turn, for in 1877 the number of those who emigrated from England to the United States only exceeded by 603 the number of those who emigrated from the United States to England.

It may of course be said that labourers have been induced to leave the United States in consequence of great depression in trade, but if trade is more depressed there than in England, the fact still remains that labourers are leaving the United States because the labour market of that country ceases to offer the advantages it once possessed. It therefore appears that American protectionists can no longer use the argument which was once employed with so much effect, that protection secures to labour the advantage of a higher remuneration than can be obtained in countries which have adopted free trade.

After what has been stated in a previous chapter, the prejudicial effect which must be exercised upon the remuneration of labour by such a protectionist tariff as that which is now maintained in the United States will be readily understood. A protective duty by making the product on which it is imposed unnecessarily dear, virtually levies a tax from all those who purchase it. When the commodities which are subjected to such a duty are those in general use, the effect of the duty is precisely the same as if an income tax were levied from the entire community. Such a tax cannot be adjusted or equalised as is the case with the income tax in our own country. Small incomes cannot be exempted; for, however poor a man may be, the tax will fall with unerring certainty on all that portion of his income, or his wages, which is expended in the purchase of those articles which are protected. But this is not the only tax which protection compels a community to pay. When the

instruments and the plant of industry are made more costly, the products of that industry necessarily become more expensive. Iron, copper, and timber are, as we have seen, all made dearer in the United States by protection. Consequently the machinery which is made of copper and iron becomes more expensive ; the cost of buildings also, in the construction of which iron and timber are used, is increased ; and this being the case, those who pay a higher price for this machinery must be compensated by obtaining a higher price for the products which they manufacture ; and those who erect the buildings will be able to claim an increased rent, in order that they may be adequately remunerated for the additional cost of their construction.

Protection is thus in a thousand different ways perpetually taxing the American people. There is not one single branch of her industry on which it does not impose a penalty more or less severe. Its influence may be traced far and wide over the country. It increases the cost of the implements by which the land in the far west is tilled ; it causes a higher rent to be paid by the poorest artizan, lodged in a back street of New York. The burden thus cast upon the industrial classes is so severe as to gradually neutralize her great natural advantages ; and thus we find that though trade is depressed in England, it is still more depressed in America, and workmen are beginning to discover that although wages are nominally higher in the United States than they are in England, yet the American labourer has to pay so much more for house-rent, and many articles which he must purchase are made so unnecessarily dear, that with higher wages he is not so well off, as he would be with smaller wages in England.

10. *When protection has once been introduced into a country, it is argued that it should embrace as many industries as possible ; because if only one industry were protected, the general public would receive no compensation for the higher price which they would have to pay for the product of this particular*

industry. If, however, protection embraces the entire industry of the country, each industrial class is in its turn benefited, and is amply compensated for the increased dearness of various articles.

This argument has been enforced with much ingenuity by M. Alby, a well-known French protectionist. He contends that if the iron interest alone were protected in France, the policy would be absolutely indefensible, because every one in France would have to pay more for iron in order to give an advantage to those engaged in the French iron trade; but he urges that this objection is entirely removed if all industries are equally protected. For instance, if the cloth trade is protected, the benefit which those engaged in it are supposed to derive, more than compensates them for the loss they have to bear in paying an increased price for iron. It has been shown with great clearness by the late Professor Cairnes,¹ that it is impossible to extend protection to all industries in the manner here contemplated; and even if such an extension were practicable, the compensation which it is assumed the community would receive, would be entirely illusory. It is obvious, in the first place, that this argument entirely overlooks the interests of the professional and other classes who obtain their incomes otherwise than by trade. A physician with 1,000*l.* a year, or a policeman with 1*l.* a week, would find that almost everything he purchased was made dearer by protection; while his income was in no way increased by it.

With regard to the impracticability of extending protection to all industries, it is only necessary to remark that in many industries there is no foreign competition, and it is consequently impossible to extend protection to them. For example, wine is not imported into France, and wheat is not imported into America. An import duty imposed upon wine in France, or on wheat in America, would therefore be of no advantage to the French wine-grower, or to the American farmer. They are consequently precluded from

¹ *Leading Principles of Political Economy*, p. 454 et seq.

receiving any compensation for the higher price which they are compelled to pay for the various articles that are made dearer through the operation of protective duties. But even if it were practicable to extend protection to the entire trade of the country, it can be readily shown that nothing would be gained even by those who were interested either as employers or employed in the various industries thus protected, as a set-off against the very serious loss which would be caused to the whole community. The only way in which the general rate of wages and profits prevailing in a country can be advanced, is to increase the productiveness of capital and labour. If more is produced by the expenditure of a given amount of capital and labour, there will be more to distribute in profits and wages. If less is produced there will be less to distribute, and profits and wages will be reduced. Whatever may be the social and political advantages claimed for protection, such for instance, as that it secures a diversified industry, and makes a community independent of foreign countries, its advocates do not attempt to maintain that it increases the productiveness of capital and labour. They are in fact forced to admit that if protection were regarded simply in its economic aspects it could not be defended; but they maintain that the social and political advantages which they suppose result from it, are more than sufficient to counterbalance the economic loss which is caused to a country by diverting a portion of its labour and capital to industries which can be carried on under less favourable conditions at home than abroad.

11. *Protection is defended in America and the Colonies on the ground that, as wages are higher there than in England, the American and Colonial traders require protection in order to place them in a position of equality with their English competitors.*

This claim for protection is evidently based on the assumption that the amount of wages paid to labourers is the only element of which account need be taken when

considering the cost of producing a particular article. The fallacy of such an opinion at once becomes apparent, when it is remembered that agriculture is the particular branch of industry in which the difference between the wages paid in England and those paid in America or Australia is the greatest. And yet it is in agriculture that America and Australia can without the slightest protection compete most successfully against England. The Illinois or Australian farmer has to pay his labourers at least three or four times as much as is paid by the Dorsetshire or Wiltshire farmer, and yet wheat can be produced much more cheaply in Australia or America than in England. It is therefore obvious that other circumstances, besides the amount of wages which may be paid, determine the cost at which any particular article can be produced; if this were not so, the American farmer would have a much stronger claim to protection against the cheap labour of England than the American manufacturer. The efficiency of labour must manifestly exert quite as much influence on the cost of production as the amount of wages which the labourers receive. The great abundance of cheap fertile land in Australia and America, so much promotes the efficiency or productiveness of the labour employed in its cultivation, that the cost of producing wheat and other agricultural products is much less than in England, where considerably lower wages are paid to farm labourers. Again with regard to mining industry, it is evident that various circumstances, such for instance as the richness of the mineral deposits and their depth from the surface, must exercise a far greater effect upon the cost of production than the wages which may happen to be paid to the miners. In manufacturing industry also, the possibility of one country obtaining raw material at a less cost than another, may more than compensate the additional expense which may be thrown upon the manufacturers of the former country by the payment of higher wages. With regard to America and Australia, it is

to be particularly noted that the great natural resources which they possess must confer upon them many advantages in industrial competition of which there is no probability that they can be deprived. Their almost inexhaustible supplies of fertile land give them advantages such as are possessed by scarcely any other country. Their mineral resources are so great that if they suffer from foreign competition, it must be through their own want of skill and enterprise. Even in manufacturing industry, where it is supposed that protection is most needed, it must be remembered, that as England imports large quantities of cotton from America, and of wool from Australia, these countries must with regard to some most important branches of manufacturing industry enjoy the advantage of cheaper raw material. It is moreover deserving of special remark, that the difference in wages in countries between which there is an extensive migration of labour must constantly diminish. When emigration has continued for some time, the objections to it are sure gradually to lessen; it becomes much more of a national habit, and the prospect of a comparatively small advance of wages may be sufficient to induce people to leave their own country, if they think they shall be settling amongst friends and relations, which would prove altogether inadequate if they had to seek a new home amongst strangers. This increasing readiness to emigrate must exert an equalising influence on wages, and must cause the difference in wages in the two countries, between which the emigration takes place, steadily to diminish. So much is this the case with the United States, that, as previously pointed out, it is now considered that the remuneration received for various kinds of labour is higher in England than in the United States; and there is at the present time nearly as much emigration from America to England as there is from England to America. When the remuneration of labour has ceased to be higher in America than in England, when skilled workmen such as masons are

found willing to come from New York to work in London for wages which are refused by English masons, there cannot be a shadow of pretext for demanding protection on the ground that the American employer has to pay a higher price for labour than his English competitor. If with labour as cheap as it is in England, if with the unequalled natural resources, inexhaustible supplies of coal, iron and almost every other mineral, boundless tracts of fertile land, unsurpassed facilities for internal navigation ; if with these and countless other advantages the American manufacturer is unable to contend with his foreign competitors, it must be because he and those he employs are deficient in skill and energy, and are wasteful of the great gifts with which their country has been endowed.

12. Another argument against free trade is that protection having been once established cannot be abolished without causing great loss both to employers and employed in those trades which have been protected.

It cannot, I think, be doubted that the loss which might be inflicted upon many special trade interests by the abolition of protection constitutes by far the most serious obstacle in the way of the general adoption of free trade. Exaggerated estimates are no doubt formed of the loss which would be actually caused ; but however great may be the stimulus which free trade would give to the prosperity of such a country as the United States, it would in my opinion be impossible suddenly to abolish protection without causing considerable loss to the employers and employed in many trades which, through its aid, had been fostered into a kind of unnatural existence. No industrial change, however beneficial, has ever been introduced without causing some loss and inconvenience to certain special classes. The mechanical inventions, which have done most to enrich mankind, were not brought into general use without causing great loss and suffering to many whose labour they supplanted. Seldom has a class endured more severe hardships

than were borne by our handloom weavers, during the years that they carried on a prolonged and hopeless struggle, striving in vain to compete with products which were made by machinery at a far cheaper rate. Even stage-coaches could not be superseded by railways without some individuals being injured by the change. Although the aggregate wealth of the country was enormously increased, yet in certain special cases property which was before of great value became almost worthless. Along the roads which used to be our great thoroughfares, are still to be found the remains of large inns and posting-houses which formerly let for many hundreds a year; but immediately the railways drew away the traffic these inns so entirely lost their custom that they had scarcely any value at all; many of them were pulled down, and others were converted into cottages. Any attempt to oppose the use of a mechanical invention, because of the loss which it may cause to certain individuals, meets with almost universal disapprobation. Nothing it is maintained can be more unreasonable than to allow the temporary interests of a few to stand in the way of the permanent advantage of the entire nation. If this principle holds good with regard to the benefits conferred upon a nation by the introduction of a mechanical invention, it holds equally true with regard to the still greater benefits which a nation will derive from the adoption of an unrestricted commercial policy.

13. *Protection can be advantageously introduced into a young country as a temporary expedient, since various industries which will ultimately prosper without protection require its aid in the early stages of their existence.*

This argument in favour of protection, which has been reserved to the last for consideration, is deserving of special attention, not only because of the great weight which is attributed to it by the advocates of protection in the Colonies and in the United States, but also because it has obtained a great amount of importance from the support

it received from the late Mr. J. S. Mill. In a passage which protectionists at the present day so repeatedly quote that they seem almost to regard it as the charter of their policy, Mr. Mill says :—

“The only case in which, on mere principles of political economy, protecting duties can be defensible, is when they are imposed temporarily (especially in a young and rising nation) in hopes of naturalizing a foreign industry, in itself perfectly suitable to the circumstances of the country. The superiority of one country over another in a branch of production often only arises from having begun it sooner. There may be no inherent advantage on one part, or disadvantage on the other, but only a present superiority of acquired skill and experience. A country which has this skill and experience yet to acquire may in other respects be better adapted to the production than those which were earlier in the field : and besides, it is a remark of Mr. Rae, that nothing has a greater tendency to promote improvements in any branch of production than its trial under a new set of conditions. But it cannot be expected that individuals should at their own risk, or rather to their certain loss, introduce a new manufacture, and bear the burden of carrying it on until the producers have been educated up to the level of those with whom the processes are traditional. A protecting duty, continued for a reasonable time, will sometimes be the least inconvenient mode in which the nation can tax itself for the support of such an experiment. But the protectionism should be confined to cases in which there is good ground of assurance that the industry which it fosters will after a time be able to dispense with it ; nor should the domestic producers ever be allowed to expect that it will be continued to them beyond the time necessary for a fair trial of what they are capable of accomplishing.”¹

¹ See *Principles of Political Economy*, by J. S. Mill, fifth edition, vol. ii. p. 525.

There is no one more ready than I am to recognise the high authority of Mr. Mill as an Economist, and I will at once admit that the arguments which he advances in favour of the imposition of protection in a young country would be conclusive if there were a reasonable probability that the conditions under which he supposes that such a protective duty could be imposed would ever be realized. It will be observed in the passage above quoted that he is most careful to explain that protection can only be justified as a temporary expedient; and every word which he says in support of protection rests on the supposition, that when an industry has been fairly established the protective duty will be at once voluntarily surrendered by those who are interested in the particular industry. It is, however, incontestably shown by what has happened in the United States and other countries where protection has been long established, that it is absolutely impossible to impose a protective duty under the stipulations on which Mr. Mill so emphatically insists. Whatever professions may be made by those who first ask for protection that it is only required for a limited period, and that it is only needed to enable an industry to tide over the obstacles which may beset its first establishment, it is invariably found that when an industry has once been called into existence through protection, those who are interested in it, whether as employers or employed, instead of showing any willingness as time goes on to surrender protection, cling to the security and aid which they suppose it gives their trade with ever-increasing tenacity. This is shown in a very striking manner by the experience of nearly a hundred years of protection in the United States. In no single instance has a protective duty when once imposed in that country been voluntarily relinquished. Far from any tendency being shown by those who are connected with the industries which enjoy protection to face free competition, they constantly display a feeling of greater dependence, and demand with reiterated

urgency additional safeguards against their foreign rivals. A well-known American economist, Professor Sumner, has said : " Instead of strong, independent, industries, we have to-day only a hungry and clamorous crowd of ' infants.' " Again, Mr. Wells, with equal force, has remarked : " Although the main argument advanced in the United States in support of protective duties is that their enactment is intended to subserve a temporary purpose, in order to allow *infant* industries to gain a foothold and a development against foreign competition, there has never been an instance in the history of the country where the representatives of such industries, who have enjoyed protection for a long series of years, have been willing to submit to a reduction of the tariff, or have voluntarily proposed it. But, on the contrary, their demands for still higher and higher duties are insatiable and never intermitted." ¹

✓ No amount of theoretical reasoning as to the desirability of imposing a protective duty, as a temporary expedient in a young country, can outweigh the warnings derived from experience that no security can be provided against the permanent continuance of a protective duty when it has been once imposed. If after protection has been in operation for nearly a hundred years in the United States, the various protected interests display a growing determination to resist any change in the direction of free trade, what reason is there to suppose that what has happened in America will not in future years occur in Australia and other countries, if they should carry out the policy which now seems to find favour with them, of calling into existence various branches of industry by the imposition of protective duties?

It is sometimes said that a country may safely adopt a protective policy, because when the proper time arrived free trade took the place of protection in England. It has however already been shown that the introduction of free trade

¹ *Cobden Club Essays*, second series, 1871, p. 529.

into England was brought about by events so exceptional in their character, that a protective system when once established in other countries cannot be assailed with the same weapons by which its overthrow was effected in England. Agriculture was the industry which, more than any other, was protected in England against foreign competition. In all the countries however, such as America, Germany, France, and Australia, in which protection now finds favour, it is chiefly confined to manufacturing industry. All these countries are large exporters of food, whereas England is only able to obtain from her own soil a portion of the food which her people require, and consequently is to a great extent dependent upon foreign supplies. When protection, by interfering with the free importation of food, makes food dear, and in a period of national distress deprives the mass of the people of their supply of a first necessary of life, an amount of popular indignation can be excited against the continuance of a system of restriction, which cannot be aroused against it when the results it produces that can be most tangibly brought home to the people, are that it makes various articles of wearing apparel and household furniture dearer. It has been previously shown that an addition to the price of certain articles in general use, represents only a very small portion of the mischief which is produced by such a protective system as that which is maintained in the United States. Amongst other evils which result from protection, it has, for instance, been proved that it places obstacles in the way of the general prosperity of the country; that it exerts an influence in lessening the remuneration obtained by capital and labour; that it discourages industrial enterprise by weakening the feeling of self-reliance; and that it fosters political corruption by inducing various trade interests to use their influence in securing the imposition of duties specially to benefit themselves. These and other evils, inseparably associated with protection, although they inflict an incalculable injury upon a country, are not brought home to the

general body of the people with the same distinctness as when, in every humble English home, those who were pinched by hunger could be made to feel that a corn law was in operation which kept from them the food which they so urgently needed.

Nothing can be more unfortunate than if the people of a young country like Australia, who seem to be contemplating the imposition of protective duties, should be misled by the example of England, and suppose that they would be easily able to return to a policy of free trade whenever the industries, which they hope to call into existence by protection, are once fairly established. England instead of affording an example to be copied, should furnish rather a warning of that which is to be avoided. Great as was the injury which protection inflicted on England, there seems every probability that the policy of commercial restriction might have continued in operation for an indefinitely longer period, had it not been for the wide-spread misery which was caused by the Irish famine. So strong was the position of those who were interested in the various monopolies, which had been called into existence in England by protection, that only two or three years before protection was abolished some of the most prominent advocates of free trade in England almost despaired of success. When it is thus seen that it required such a national catastrophe as the sweeping away of tens of thousands by starvation, to destroy protection in England, the Australian people should feel that if they allow a system of industrial monopoly once to take root in their country, they may have, before it can be got rid of, to pay a penalty not less severe than that paid by the people of our own country before they were able to introduce free trade.

Protection wherever it is once established, never fails, for reasons previously described, to obtain a firm hold. There is no reason why protection if once introduced into Australia should not in future years become as strongly established

as it now is in the United States. Those who are engaged in all the various industries which are protected, are sure to feel that they are deeply interested in the continuance of the system; and Australia would experience the same difficulty that is now found in the United States in resisting so powerful a combination of interested opposition.

Enough has now been said to show the extreme peril which would be incurred by any country which should adopt a protectionist policy on the plea that it is only resorted to as a temporary expedient. With whatever plausibility such an argument may be advanced, all experience proves that when the paths of restriction have once been entered upon, it becomes increasingly difficult for a nation to retrace her steps. But even if there were any foundation for the opinion of those who apparently believe that protection would be surrendered when the proper time came for its abandonment, I think there is good ground to suppose that the industrial development of a country would be far more surely promoted by freedom than by restriction. Directly the principle is sanctioned that certain special industries are to be fostered by the State, the trade of a country at once ceases to be regulated on purely commercial considerations, and is placed under official and political guidance. The State, in fact, is made the arbiter and superintendent of the entire industrial economy of the country. The State decides what industries shall be called into existence by protection, and determines what is the exact amount of encouragement that shall be given to each particular trade. It is impossible to imagine that any government can be qualified to discharge such functions; but even if it were qualified to do so, no one can doubt that in determining the exact amount of protection which should be given to particular trades, whether in one instance the duty should be 10 per cent. and in another 20 per cent., the political influence which would be brought to bear by special interests would exercise a far more potent

effect than any conclusions which might be arrived at from carefully weighed industrial considerations.

No one who observes what are the most prominent characteristics in the economic condition of such a recently settled country as Australia, can doubt that if industry is there left to its own natural development various trades and manufactures, which it is sought artificially to stimulate by protection, are sure gradually to be established without its aid. The Australian protectionists say that they want protection in order to enable them to compete against cheap English labour. But the remarkable prosperity which is at the present time enjoyed by their own most important branch of industry, agriculture, conclusively proves that the higher wages paid in Australia ought to be regarded as a measure of the greater natural advantages which she possesses. If the mere fact of having to pay higher wages constituted a claim for protection, the Australian farmer who has to pay wages three or four times as high as are generally received by English agricultural labourers, would not be able to carry on his industry unless he were protected against foreign competition. It is scarcely necessary, however, to remark that although very high wages are paid to farm labourers in Australia, fertile land there is so cheap and abundant that many agricultural products, such as wheat and wool, are produced at a cheaper rate in Australia than they are in England. Large quantities of these articles are annually exported from the one country to the other, and thus it appears that Australia with dearer labour is able to undersell England with cheap labour, even in the English market.

Every circumstance which at the present time impedes the extension of manufactures in Australia will be certain, with the progress of the country, to exert less and less influence, if no commercial restrictions are permitted to interfere with the free development of her industrial economy. The population of Australia is rapidly advancing, and with this advance in population labour will not

only become cheaper, but as its supply increases, there will be a larger surplus available for employment in other industries besides those on which her labour and capital are now chiefly concentrated. Moreover, it must be borne in mind that the English people are gradually becoming more accustomed to emigration. They are now much less disinclined than they were formerly to leave their own country. Emigration to Australia was once regarded almost as banishment to a strange and unknown land. English agricultural labourers used to be in such a condition of ignorance and dependence that they went on year after year working for a miserable pittance of 8s. or 9s. a week; they were so deficient in enterprise, and were reduced to a state of such utter helplessness, that they would continue clinging to their own wretched poverty at home, being unwilling or incapable of taking advantage of the prosperous future that was offered to them in other lands. Within the last few years, however, there has been a most remarkable change. The English agricultural labourer, stimulated by various circumstances, such as the spread of education, is rapidly rising from his former condition of torpor and helplessness; he is beginning to show as much readiness as other labourers to take advantage of any opportunity that may be offered him of improving his condition. It is also to be remembered that each one who emigrates and finds success in his new home, stimulates others to follow in his footsteps. Tidings of the prosperity which he is enjoying are brought to the village which he has left; and a great part of the disinclination which is naturally felt to settling in a new country passes away when it is felt that the new home will be amongst friends and relations, and not entirely amongst strangers.

This increasing readiness on the part of the English labouring population to avail themselves of any opportunity which may be offered to them of improving their condition by settling in a new country, must inevitably cause the

remuneration of labour to approximate more nearly to an equality in England, and in the countries which are mainly peopled by her emigrants. If therefore matters are allowed to take their own natural course, any difficulties which may now impede the establishment of manufacturing industries in Australia will steadily diminish and ultimately pass away. On the other hand, if the industrial economy of that country once becomes involved in the trammels of a wide-spread system of protection, every article on which a protective duty is imposed will be made artificially dear, and the cost of living will be materially increased. English labourers will fail to obtain the advantages from settling in Australia which they might otherwise enjoy. Emigration will consequently be checked, and the result of a protectionist policy must inevitably be to deprive, to a great extent, such a country as Australia of those additional supplies of labour, which above all things are essential for the successful establishment of manufacturing industry. Australia should in time be warned by what is now occurring in the United States. Until quite recently America was regarded as the most favourable field for English emigration. Although wages are still in many industries nominally much higher in the United States than they are in England, yet the general cost of living has been so greatly increased in the United States by the imposition of onerous protective duties on almost every article of general consumption, that labourers find that they are scarcely so well off there as they are in England with lower wages ; consequently, as already pointed out, we are at the present time witnessing the extraordinary phenomenon that nearly as many labourers are leaving the United States as are settling in that country. Whilst, however, emigration from England to the United States is thus now almost counterbalanced by a flow of population in the opposite direction, there continues to be a steady stream of emigration from England to Australia. Last year more than 30,000 persons, of whom a large proportion belonged

to the agricultural labouring class, emigrated from England to Australia, and less than 5,000 returned. If, however, a policy of protection should once be commenced in Australia, it will surely and rapidly spread. All experience shows that it is impossible to confine protection within narrow and well-defined limits. If one trade obtains what is considered to be the benefit of protection, a powerful inducement is immediately offered to a countless number of other trades to demand that similar privileges should be conferred upon them. With the imposition of each fresh protective duty some article would be made dearer, and thus as the system became generally extended, that would surely occur which has already happened in America; the cost of living would be so much increased that English labourers would be no better off than they are in their country; emigration would cease, and Australia would lose that supply of labour which will not only do so much to create a home demand for her produce, but which she needs for the adequate development of her great natural resources.

Having now discussed in sufficient detail all the leading arguments that are advanced in support of protection, I will next proceed to consider to what extent the commercial depression which has lately so generally affected industry can be traced on the one hand to the adoption of a policy of free trade, or, on the other hand, to the maintenance of a system of protection.

CHAPTER V.

COMMERCIAL DEPRESSION.

THE very serious depression which has affected the trade of so many countries during the past three or four years, has given a new interest and vitality to a discussion as to the relative advantages of protection and free trade. This commercial depression seems to be producing exactly opposite effects on public opinion in protectionist and free trade countries respectively. In the former it is undoubtedly to a considerable extent undermining the confidence which many before felt in the efficacy of protection to secure prosperity; while in such a country as England, where scarcely any one until lately ventured to utter a dubious word with regard to the benefits conferred by free trade, an inclination is now being shown in many quarters again to lapse into some of the fallacies of protection.

Allusion has already been made to the fact that in many English chambers of commerce, resolutions have been recently passed in favour of reciprocity. What is termed "one-sided free trade" has been strongly condemned by some of those who were, until recently, the stoutest defenders of the principles of unrestricted commerce. The opinion certainly seems to be spreading, that a country commits an act of foolish self-sacrifice, if she persists in opening her markets freely to the products of other countries, when her own products are excluded from

foreign markets by protectionist tariffs. This change in public opinion, far from exciting any surprise, may be regarded as the natural result of the manner in which the advocates of free trade and protection respectively have in former years pleaded their cause. Before the present commercial depression, the trade of England had, for a quarter of a century, uninterruptedly advanced with unprecedented rapidity. In the days when we were enjoying this prosperity it used to be perpetually referred to, as affording a conclusive proof of the extraordinary advantages conferred upon a country by free trade. The many other circumstances which have assisted in producing this prosperity were very generally ignored; the statistics of increasing exports and imports were triumphantly appealed to with the confidence that nothing more was required for the vindication of free trade, and for the refutation of the doctrines of protection.

Such a mode of considering the subject, naturally accustomed people to the idea that the commercial progress of England was wholly due to free trade; consequently many of those who, in prosperous times, were foremost in expressing their approbation of free trade, are now the first to blame it for the depression which has fallen upon the commerce of the country. Exactly the reverse of what has occurred in England is happening in the United States. Until quite recently the United States enjoyed a prosperity scarcely inferior to that of England. Although, as I have endeavoured to show, she enjoyed this prosperity, not in consequence, but in spite of protection, it was not unnatural that as long as this prosperity continued, the people of the United States were induced to believe that it was the result of protection. It could be plausibly urged that simultaneously with a great development in her trade and a remarkable increase in her wealth, her tariffs had become more and more protective in their character. Since 1789 the tariff of the United States has been altered no less than

forty times, and the tendency of the great majority of these changes has been to make her fiscal system more protective in its character. At the commencement of this period the import duties imposed, averaged about $8\frac{1}{2}$ per cent. with the term of protection limited to seven years; these duties have been steadily increased until they now are 40, 50, 60, and even, in some instances, 125 per cent. Nothing consequently could be easier than inseparably to associate as cause and effect in the popular mind, increased protection and growing prosperity. Now that depression has fallen upon the trade of the United States, even more severe than that which has fallen upon the trade of England, a revulsion of feeling has occurred there similar to that which has taken place in England. The people having been in prosperous times taught to believe that the condition of the commerce of their country was far more powerfully influenced by protection than by any other agency, not unnaturally in adverse times single out protection as the chief cause of commercial depression. So long as prosperity continued, the protectionists in the United States held a position which appeared to be unassailable. Until recently there seemed to be every probability that the tariff of the United States would gradually be made more protectionist. A remarkable change in public opinion has lately taken place, and within the last few months a new tariff has been proposed, much less restrictive than that which is now in operation. According to this tariff, import duties generally would be reduced to about 25 per cent. Many articles, especially the raw material of various manufacturing industries, would be admitted duty free, and the number of articles liable to import duties would be diminished from about 2,000 to little more than 500. It is anticipated that this new tariff will pass the House of Representatives, and although it is probable that it will for the present be rejected by the Senate, yet the support it has already obtained in the United States may be regarded

as affording an indication that the American people are beginning to lose some of their faith in protection.

It will not be difficult to show that nothing connected with the present commercial depression should cause the English people in the slightest degree to waver in their attachment to the principles of free trade. If commercial depression had alone fallen on those countries which maintain a free trade policy, or if the severity of this depression could be shown to be in any way proportionate to the extent to which the commerce of a country was unrestricted, there might be then some justification for the demands which are now in certain quarters made, that we should relinquish our present commercial policy in favour of some form of protection, such for instance as the imposition of reciprocal duties. But however severe may be the depression from which England and other free trade countries are suffering at the present time, the depression is certainly much greater in the United States and in other countries where protective duties are maintained. If the present commercial condition of England is compared with that of the United States, the comparison is to a remarkable extent in favour of the former country. No country in the world has greater or more varied natural resources than the United States. She possesses a boundless extent of fertile land; her supplies of coal, iron, copper, and other minerals are practically inexhaustible; her means of internal communication are unsurpassed; within her own boundaries there is almost every variety of climate from the temperate to the tropical, and consequently there is hardly any product that cannot be raised from her soil; and yet with all these natural advantages, although her population at the present time exceeds that of Great Britain by at least 25 per cent., her aggregate foreign trade does not equal one-third of the foreign trade of England. In 1876 the aggregate exports and imports of the United States were 208,500,000*l.*, whereas in the same year the exports and imports of Great Britain were no less

than 631,900,000/. Throughout the present period of commercial depression there has been a considerable falling off in the amount of produce imported into the United States. Her imports between 1874 and 1877 have fallen from 113,000,000/. to 90,000,000/., representing a reduction of about 20 per cent. During the same period the imports into England, instead of diminishing, have slightly increased in value, and consequently the capacity of the English people to pay for foreign produce has not been materially affected by the present decline in industrial prosperity. There has no doubt been a falling off in the export trade of England, but this decline is by no means so serious as at first sight it might be supposed to be. Between 1860 and 1870 there was an extraordinary increase in the export trade of England. During this period the exports advanced from 164,500,000/. to 244,000,000/., and at the present time, when the depression of trade is most severe, the exports from England are 12,000,000/. a year more than they were in 1870. It therefore appears that the steady progress of English trade has not been arrested. All that has happened is that her trade has not been maintained at the abnormally high point to which, during two or three years after 1871, it was to a great extent artificially forced, by a speculative demand so unsound that it could not be permanently continued.

In bringing forward the foregoing statistics of the foreign commerce of the United States and England, I do not wish it to be supposed that I attribute the remarkable difference in the trade of the two countries solely to the fact that the one maintains a protectionist tariff, whereas the other has adopted a free trade policy. As, however, the opinion is so frequently expressed, that the depression from which English industry is now suffering is due to free trade, it is well to point out that this depression has fallen far more heavily upon the United States where protectionist principles are carried out in their most extreme form. Nothing

can more conclusively show this than the fact to which reference has already been made, that the advantages which were once offered to labour by the United States, compared with the advantages offered by England, have now so entirely ceased that the number of English labourers who settle in the United States scarcely exceeds the number of those who leave the United States for England. In 1877 the number of persons of British origin who emigrated to the United States was 45,481, and in the same year the number of persons of British origin who emigrated from the United States to England was 44,878.¹ However great, therefore, may be the depression of trade in England, it must be relatively much greater in the United States. Before the depression commenced, the demand for labour in the United States was so active, and wages were so high, that tens of thousands of labourers were attracted there from England. In the five years from 1869 to 1873, the number of persons emigrating from Great Britain to the United States averaged more than 200,000, and during this time there was scarcely any emigration from the United States either to England or to any other country. Now however, employment in the United States has become so scarce, the falling-off in the demand for labour is so much more serious than it is in England, wages have been so much reduced, and at the same time the cost of living is so much increased by the high prices caused by protective duties, that labourers are returning in great numbers to England, even at a time when English trade is exceptionally depressed.

Some hesitation might be felt with regard to the soundness of the principles of free trade, if it could be shown that in a time like the present, industrial depression fell least heavily upon those countries whose tariffs were most protectionist. What is happening, however, is exactly the

¹ See Statistical Tables relating to Emigration and Immigration. Board of Trade. 1878.

reverse of this ; for at the present time, no country maintains such high protective duties as the United States ; and in no country is depression now so severely felt, especially in those very industries which have been most carefully protected against foreign competition. The temporary falling off in the export trade of England is due to a general decline in the foreign demand, and has not been in the slightest degree produced by our being driven out of neutral markets by the competition of protectionist countries. It was shown in a previous chapter, that of the exports sent from America to England, at least nine-tenths consist of agricultural produce, and the raw material of our manufacturing industries. A further examination of the export trade of the United States shows that what is true of her exports to England, is true of her exports to all the rest of the world. The commodities which other countries buy of her are almost entirely agricultural as distinguished from manufactured products. The exports of the United States consist chiefly of such agricultural products as raw cotton, wheat, tobacco, meat, &c. In 1876 out of her entire exports of 112,500,000*l.*, the following table shows that no less than 93,000,000*l.* consisted of such products as those just mentioned :—

VALUE OF AGRICULTURAL PRODUCTS EXPORTED FROM UNITED STATES. 1876.

Cotton, raw	£38,500,000
Wheat and Flour	18,400,000
Corn, Indian	6,600,000
Bacon and Hams	7,900,000
Lard	4,400,000
Cheese	2,400,000
Pork and Beef	1,700,000
Petroleum, refined	5,700,000
Petroleum, crude	500,000
Oilcake	1,100,000
Tallow	1,300,000
Tobacco, unmanufactured	4,500,000
	<u>£93,000,000</u>

These figures contrast in a very striking manner with the comparatively trifling value of the manufactures which are exported from the United States. Much vague alarm is not unfrequently expressed in England that ruin will be brought upon our manufacturing industry by American competition. If a bale of cotton goods or some machine of American construction is offered for sale in England, the fact is sure to be carefully chronicled as if it were one betokening impending disaster to our trade. The following table which shows the amount of the chief articles of manufacture exported by England and the United States respectively clearly proves how groundless are the fears that with regard to manufacturing industry England is being defeated either in her own or in foreign markets by American competition:—

VALUE OF PRINCIPAL MANUFACTURED ARTICLES EXPORTED FROM ENGLAND AND THE UNITED STATES RESPECTIVELY IN 1876:—

	ENGLAND.	AMERICA.
Manufactures of Cotton . . .	£67,640,000	£1,540,000
Iron, and manufactures of . .	19,100,000	1,000,000
Machinery, including steam and other engines, agricultural im- plements, and, in the case of America, sewing machines . .	7,620,000	1,480,000
Linen and Jute Yarn	1,670,000	
„ „ manufactures	7,170,000	
Silk Yarn and manufactures . .	2,870,000	
Woollen and Worsted Yarn and manufactures	23,000,000	
TOTAL	£129,070,000	£4,020,000

The exports (if any) of the last four commodities from America are too insignificant to be given in the "Table of

the Principal Articles Exported from the United States." ¹ The figures just enumerated show with striking distinctness that the present depression in English trade cannot be in the slightest degree attributed to American competition. The export trade of the United States may, on the contrary, be regarded as conferring on England unmixed benefit. From the United States, we obtain not only the raw material of many of our most important branches of manufacturing industry, but we also derive supplies of food, which are essential to the comfort and well-being of the country.

Reference has already been made to the circumstance that during the continuance of the present industrial inactivity, there has been no decline either in the value or the quantity of the goods imported into England. It therefore appears that the English people are as large purchasers and consumers of foreign products as they were before this depression in trade commenced. From this and other facts, to which reference will presently be made, I think the conclusion may be fairly drawn that the effect of this depression on the general prosperity of the country has been very considerably exaggerated; and that although those engaged, whether as employers or employed, in certain special trades, have been very seriously affected, yet there is nothing in the general condition of the country to excite apprehension. In the meantime, however, it may be desirable to direct attention to the fear which has lately been expressed, that the maintenance of our import trade at its present high point, now that there is a certain diminution in exports, is a subject for grave misgiving, and shows that the seeds of future mischief are being sown which are certain hereafter to bring disaster upon our national industry. These fears have their origin in the large excess which there is at the present time in the value of the goods which are imported by England, compared with the value of goods exported. Taking the figures of the latest year

¹ See *Statistical Abstract for Principal Foreign Countries*, 1877, p. 82.

(1876), for which they are given in the *Statistical Abstract*, issued by the Board of Trade, it will be seen that this excess amounts to no less a sum than 118,000,000/. Recalling the language, and possibly also reviving some of the fallacies of the mercantile system, it is apparently by some supposed that the balance of trade, being, as it is termed, so unfavourable to England, is an indication that at the present time the nation is living beyond its means; that the English people are annually spending more than they earn, and that, in order to make good the deficit, we are gradually using up our savings and devoting capital to income. The maintenance of our imports at a time of industrial depression, instead of being regarded with satisfaction, should rather, it is argued, be considered as a measure of the prodigality with which the people are living, and with which the nation is exhausting its resources. Those by whom these opinions are entertained seem to find additional cause for alarm in the fact that in no other country is there any considerable excess of imports as compared with exports, while in some countries the exports considerably exceed the imports in value. Thus, in the United States, this excess of exports over imports is 16,600,000/. In India it is about 13,500,000/. I think, however, it can be shown that the maintenance of the present large import trade of England, far from indicating that there is anything unsound in her national economy, may be fairly regarded as one of the most satisfactory features in her present condition.

In the first place, it is to be remarked, that in preparing a statistical table of exports and imports, the value at which any article which is imported is estimated includes the cost of carriage, and the profits of the merchant who imports it: whereas, in estimating the value of exports, both the cost of carriage and the profits of the exporting merchant are excluded. Thus, if a quarter of wheat is bought at New York at 40s., and the cost of shipping this

wheat from New York to Liverpool is 4s., and the profit of the importing merchant is 2s., its value when imported is reckoned at 46s. In order, however, to show the different manner in which the value of exports is estimated, let it be assumed that a merchant buys a thousand pounds worth of machinery for shipment to Australia; the value of this machinery in forming a table of exports would be stated at 1,000*l*. But in estimating the amount which Australia has to transmit to England for this machinery, account has to be taken not only of the freight, but also of the exporting merchant's profits. Suppose that the freight is 100*l*., and that the profit is 150*l*., Australia will pay 1,250*l*., and England will receive an amount exceeding by 25 per cent. the amount stated to be the value of the machinery exported. As by far the greater part of the foreign trade of England is carried on in her own ships, and by her own merchants, it follows that England receives for her exports an amount considerably larger than is represented by the value of these exports, because, in addition to their value as given in at the port from which they are shipped, there is to be added the cost of carrying them to the various countries to which they are exported, and the profits of the merchants who export them. On the other hand, from the amount which England has to pay for her imports, there is to be deducted the cost of bringing them from the countries from which they are imported. Thus, for the quarter of wheat which is imported into Liverpool from New York, and which is entered as worth 46s., England has to pay America only 40s.; the remaining 6s. is received by the English shipowner and the importing merchant. England therefore has to pay to foreign countries, for the goods she imports from them, an amount very considerably less than is represented as the declared value of these imports. On the other hand, she receives from foreign countries, for the goods she exports, an amount which is much greater than that which is represented as the declared

value of these exports. It would therefore follow that even if the amount which she has thus to pay for her imports were exactly equal to the amount which she receives for her exports, there would in the Board of Trade returns still appear to be a considerable excess in the value of the imports when compared with the value of the exports. Far, however, from the existence of such an excess being an indication that England was living beyond her means, and was being drained of her resources, it would simply show that our foreign trade was chiefly carried on by our own merchants and by our own shipowners, and that they were enjoying the profits resulting from this trade.

As previously explained, the foreign commerce of the United States, with regard to the relative amount of imports and exports, is exactly in the opposite position to that of England. The value of goods exported from the United States largely exceeds the value of those imported; this is to some extent due to the fact that a great part of the foreign trade of the United States is carried on by English merchants and English shipowners; a considerable portion of the profits resulting from this trade has thus to be transmitted to England, and this makes an important addition to her aggregate imports. "The international commerce of the United States is at present mainly carried on in foreign bottoms, which took over 70 per cent. of the aggregate imports and exports of the fiscal year 1874-75. Previous to the year 1860, from 75 to 80 per cent. of the total commerce was carried on in vessels belonging to the United States."¹ In striking contrast with these figures it appears that in 1876 of the aggregate tonnage entering English ports, 67 per cent. belonged to British owners, and only 33 per cent. belonged to foreign owners. When, therefore, apprehension is expressed that England is in an unsatisfactory position compared with the United States, because her imports are so largely in excess of her exports, it should

¹ See *Statesman's Year-Book*, 1878, p. 602.

be remembered that a considerable part of this excess is due to the fact that her mercantile marine is so extensive that not only the greater part of her own foreign trade, but of the foreign trade of other countries, is carried on in English ships. This, far from giving any just cause for alarm, should make us feel renewed confidence in the principles on which our present commercial system is based.

There is also another circumstance which causes the aggregate of England's imports to be considerably in excess of her exports. No other country has so large an amount of capital embarked in various foreign investments. Although it is impossible to form an exact estimate of the amount of English capital which is invested, not only in foreign loans, but also in various industrial undertakings, such as foreign mines, railways, banks, shipping companies, etc., yet it cannot be doubted that the interest which has to be annually remitted to England on the capital thus embarked represents a very considerable portion of the amount by which her imports exceed her exports. It has been calculated by competent authorities that the balance annually due to England as interest on capital invested in India and in America alone, is about 30,000,000*l.*,¹ and this debt has to be liquidated by these countries sending to England either goods or bullion. Hence the amount of the exports sent to England from America and India must not only be sufficient to pay for the goods imported from England, but must also be sufficient to pay the interest on the large sums of English capital invested in America and India. Those countries, therefore, which are largely in debt to foreign nations, must export more than they import; and in those countries which possess surplus capital and lend it abroad, the imports will exceed the exports. Consequently, the comparisons unfavourable to England which are often made by American protectionists between the industrial position of their own country and that of Eng-

¹ See *Economist*, December 15, 1877.

land, because of the large excess of English imports over exports, have so little foundation, that this excess may be regarded as affording evidence of the great extent to which they and other countries have been assisted by English capital.

Nothing can be more erroneous than to conclude that the foreign commerce of a country is in an unsatisfactory position, and that she is being drained of her resources, if it is observed that imports are largely in excess of exports, when, as in the case of England, the foreign trade of a country is chiefly carried on by her own merchants and in her own ships, and when the amount of wealth accumulated by her people is so great that it not only suffices to supply capital for her own industry, but a large surplus annually remains to be lent to foreign governments, and to be employed in various foreign undertakings. The dread and alarm about imports exceeding exports, and about the balance of trade being unfavourable to a country, may no doubt be considered as a survival from the time when the principles of the mercantile system obtained almost universal acceptance. Thus from the remarks that are frequently made about an excess of imports, it seems to be by many supposed that when imports are in excess of exports a nation must be pursuing just the same career of extravagance as an individual who is living beyond his means, buying more than he sells, and thus steadily getting into debt. American protectionists have lately been expressing great satisfaction because the exports from their country exceed in value the imports; they apparently consider that in this respect the industrial condition of their country compares most favourably with that of free trade England. In the opinion of the French protectionists there seems to be no weapon with which the renewal of the Commercial Treaty with England can be so effectually assailed, as to point out that under the operation of that treaty the trade of France has been so entirely changed, that whereas her exports were formerly in

excess of her imports, and she was thus enriched by foreign commerce, now her imports exceed her exports, and she is consequently being drained of her resources. It can however be readily shown, after the explanation which has been given of the circumstances which cause the imports of a country to exceed her exports, that the present position of the foreign commerce of the United States and France, far from affording any justification for a protectionist policy, may be regarded as greatly strengthening the case in favour of free trade. If the goods which America sends to England exceed in value those which she receives from England, it is evident that America is in debt to England; and that this indebtedness is due to the fact that she has borrowed capital from England, and that, in carrying on her foreign trade, she is largely employing English ships and English merchants. Such indebtedness cannot be an advantage, but must be a disadvantage to a country, and therefore, so far as it is due to protection, it may be considered as evidence of the injury inflicted on America by a policy of commercial restriction. There is also no circumstance connected with the present commercial position of the United States which should be regarded by the people of that country with more apprehension than the decline in her shipping trade which is shown by the large extent to which her foreign commerce is carried on in English ships and by English merchants. The protective duties which are imposed by the tariff of the United States on iron, copper, wood, and almost all the other materials which are employed in shipbuilding add so much to the cost of constructing a ship, that the shipping interest in the United States has declined to a most serious extent with the increase in recent years of her protective duties. It has already been stated that 70 per cent of the entire commerce of the United States is now carried on in foreign bottoms; whereas previous to 1860 between 75 and 80 per cent. of that commerce was carried in her own ships. Again, with

regard to the change which has lately taken place in the foreign commerce of France, it appears that whereas the French people used to send abroad more than was received back in return, they now receive more than they send to foreign countries: in other words, while France used to be in debt to foreign countries foreign countries are now in debt to her. So far as this alteration in her position is due to her Commercial Treaty with England, it will be scarcely denied that the existence of that Treaty ought to be a subject for congratulation rather than regret.

The statistics of the English exports and imports of bullion and specie during the last few years show in a very striking manner that a great excess of imports over exports may be entirely due to the circumstances before explained. Instead of there being any drain of money from England to adjust a so-called unfavourable balance of trade, the amount of bullion and specie which has been imported into England during the ten years from 1867 to 1876 has exceeded by no less than 53,800,000*l.* the amount which has been exported; although during this period the aggregate value of her imports exceeded by no less than 804,000,000*l.* the value of her exports. It therefore appears that so large an excess of imports over exports, as that which characterises the foreign trade of England, need not necessarily be accompanied by any drain of bullion or of specie; for during the period when this excess of imports has been most marked, England has on the average of years been adding about 5,000,000*l.* to her stock of bullion and specie, and this is supposed to be the amount which is annually required for fresh coinage and for various manufacturing purposes.¹

In attempting to draw a favourable instead of an unfavourable conclusion as to the commercial position of England, from the fact that while there has been a considerable decline in her export trade, her imports have

¹ See *Statistical Abstract*.

rather increased than diminished, nothing is farther from my intention than to deny the existence of very severe depression in many important branches of industry. As this industrial depression is not unfrequently attributed to the policy of free trade which has been adopted by England, it is important to prove that far from protection being an antidote to industrial depression, protectionist countries such as the United States are at the present time in a far more unsatisfactory position than England. It sometimes however seems to be supposed that much darker days are in store for England, and that she has hitherto been able to ward off the worst consequences of bad trade by a series of artificial expedients, which can only be looked upon as temporary shifts. How, it is asked, can a nation, without burdening herself with debt, and laying up for herself a store of future embarrassment, continue to spend as much at a time when trade is bad, as when it was in a state of exceptional prosperity? The amount of goods imported into England shows no falling off; the people continue to purchase, even more largely than they did before, all the foreign products which minister either to their wants or to their enjoyments. It is generally admitted that the quantity of tea which is annually consumed by the English people affords a very correct index of the prosperity of the country. When there is a bad harvest at home there is naturally a large increase in the importation of wheat. When however it is found that there is a great addition to the quantity of tea which is imported and retained for home consumption, the conclusion is irresistible that the people can afford to spend a larger sum on an article which may be regarded to some extent as a luxury. The quantity of tea, which has been imported into England and retained for home consumption, has increased in a very striking manner since 1862. In that year the quantity so imported was 78,793,977 lbs.; in 1876, a year that is constantly spoken of as one of exceptional depression, the quantity was 149,104,194 lbs.,

or an increase of nearly 100 per cent. A part of this increase may no doubt be attributed to the fact that the duty on tea had been reduced between 1862 and 1876 from 1s. 5d. to 6d. a lb. It is however worthy of special remark, as bearing on the subject we are now considering, that the consumption of tea during the present period of commercial depression has continued steadily to increase, and that this consumption is now much larger than it was during the time when the trade of the country was in a state of the greatest activity. The years 1872-3-4 are frequently referred to as a time when English trade was at the zenith of its prosperity. The quantity of tea imported and retained for home consumption in these three years respectively was :—

1872.	1873.	1874.
127,661,360 lbs.	131,881,476 lbs.	137,279,891 lbs.

The present industrial depression is generally thought to have commenced in the closing months of 1874, and it increased in intensity throughout 1875 and 1876. Yet in these years, the annual increase in the consumption of tea was fully maintained ; the quantity retained for home consumption being :—

1875.	1876.
145,327,432 lbs.	149,104,194 lbs.

No part of the increased consumption of tea which has taken place in these later years is due to a reduction of duty, for the duty has remained unchanged since 1866.

It may be thought that such a state of things as that just described cannot continue, and that if in a period of industrial depression a nation purchases more largely articles of general consumption, savings are either being used up or future liabilities are being incurred. The benefit which is conferred on a nation as a whole in a period of such exceptional industrial activity as that of a few years since is, I believe; by no means so great or so widely diffused as is

commonly supposed. It can, I think, be shown that such prosperity is accompanied by some very serious drawbacks ; that the advantages which result from it are by no means diffused over the entire nation ; and that although at such a time many are enriched, yet the additional wealth which they secure cannot be regarded as so much pure gain ; a portion of it at least represents a forced contribution from some of their less fortunate fellow-countrymen.

Those who suppose that great industrial activity necessarily implies an increase of well-being to the entire community, may be asked to consider what was the effect on the nation generally of the extraordinary prosperity which was recently enjoyed by the coal and iron trades. A sudden increase in the demand for coal, consequent to a large extent on an increased demand for iron, produced an unprecedented rise in the price of coal, the rise being no less than 13s. 6d. a ton. It has been frequently asserted that this rise was chiefly brought about by the action of trades unionists, who, taking advantage of the increased demand for labour at a time when trade was exceptionally active, forced up wages to such a point that their employers were obliged to advance the price of coal in order to compensate themselves for the higher wages which they were compelled to pay. It has, however, been conclusively established that so small a portion of the increase in the price of coal was due to the cause just mentioned that a rise of 2s. 6d. a ton would have been amply sufficient to compensate the employer for the extra wages which he paid.¹

¹ See Report of the Select Committee of the House of Commons appointed in 1873, to inquire into the causes which had produced the recent rise in the price of coal. From some evidence given before this Committee it appears that the rise in the price of coal was greater and the advance in the wages of the workmen less than above estimated. Thus, in a table given in the Evidence at page 191, it is stated that in the West Yorkshire district, between October 1871 and March 1873, there was an advance in the price of coal at the pit's mouth of 15s. 5d. a ton,

By far the greater part of the increased value which coal suddenly acquired must therefore be regarded as affording a source from which an enormous addition was made to the income obtained by the fortunate owners or lessees of coal mines. On every ton of coal raised there was at least an additional 11s. to be given either to the owner or to the lessee of the mine. Profits in this industry consequently advanced with unprecedented rapidity. The annual output of coal at the time was about 120,000,000 tons. Consequently the rise in the price of coal caused no less a sum than 66,000,000*l.* in a single year to be distributed among the owners and lessees of mines, whereas the amount distributed in the form of extra wages was not more than 15,000,000*l.* As the aggregate production and consumption of English coal is about 120,000,000 tons, it follows that the rise in price of 13s. 6*d.* a ton caused no less a sum than 81,000,000*l.* sterling to be taken in a single year from the consumers of this coal. As the export of coal from England at that time was not more than 12,000,000 tons, nine-tenths of this enormous sum, or about 72,000,000*l.*, had in this single year to be contributed by the consumers of coal in England. A portion of this amount was no doubt repaid to England by foreign countries. A rise in the price of coal increases the cost of all those articles in the manufacture of which coal is used. The price of such articles will consequently have to be advanced in order to compensate those who produce them. When therefore an article, the price of which is thus advanced, is exported, the burden of the extra price falls, not upon the English producer or merchant, but upon the foreign consumer. A part therefore of the loss which was caused to the consumers of English coal, no doubt fell not only upon those foreign

while wages in this period were advanced only 1s. 1½*d.* a ton. During this time the price of coal was raised on eight different occasions, while on only five occasions was there any rise in wages. In every single instance the rise in wages was subsequent to the rise in the price of coal.

countries which used English coal, but also upon the foreign consumers of various English products. When, however, the most ample allowance has been made for this circumstance, the fact still remains that so great a rise in the price of coal must have inflicted a most serious loss on the general body of the English people; the nature and extent of this loss have, I believe, not yet received adequate consideration.

Unprecedented as were the gains of the owners and lessees of coal mines, and important as was the addition made to the wages of those who were employed in these mines, yet it should not be forgotten that the advantage thus secured was to a great extent purchased at the expense of the general community. A rise in the price of coal must be just as severely felt by the people as if a first necessary of life were subjected to a heavy tax. It is an impost from which the humblest cannot escape. An income-tax may be so adjusted that the poor do not contribute to it, but in such a climate as that of England fuel is scarcely less essential than food; and no small portion of the enormous fortunes which were realised when the coal famine was at its height may be regarded as made up from the forced contributions of the very poorest in the land. The annual consumption of coal for household purposes, in England, is estimated at 20,000,000 tons. Consequently when coal rises 13s. 6d. a ton the English people have annually to pay 13,500,000*l.* more for the coal which is used for household purposes. An extra tax is thus imposed upon them not less in amount than half the interest on the National Debt. Such a tax, onerous though it is, represents only a portion of the heavy impost which is levied upon them by a rise in the price of coal. Such a rise must directly lead to the price of all those articles being advanced in the manufacture of which coal is employed. It has been calculated that it requires about 2½ tons of coal to smelt one ton of iron; consequently if the cost of the coal with which a ton of iron is

smelted is increased by 1*l.* 13*s.* 9*d.* there must be a corresponding addition to the price of iron. Every one therefore who wants to purchase any article of hardware will have to pay considerably more for it. Manufacturers and farmers will find machinery and implements materially increased in price; every steam-engine will also have to be worked at a much greater cost; and in order that the manufacturers may be compensated for these increased charges it will be necessary that the price of the articles which they produce shall be advanced. One result of the present industrial inactivity has been that the price of coal has been reduced to its former level; the country has consequently been relieved of a most serious burden. The advantage which has thus been gained by the general body of the people ought to be regarded as a not inconsiderable compensation for the losses which have undoubtedly been brought on certain special classes by the present depression of trade. It is well that the subject should be looked at from this point of view, in order that the fears of those may be allayed, who appear to be alarmed because the industrial depression from which the country is now suffering has not been more widespread in its effects, and has not exerted a more marked influence on the general condition of the country.

During the continuance of this depression, which has now lasted for four years, not only has there been no falling off in the demand for articles of general consumption, but there are other and more positive indications that the real prosperity of the country cannot have been to any serious extent undermined. If there were widespread popular distress, it would certainly be shown by an increase of pauperism. It is, however, a remarkable fact that throughout the continuance of the present industrial depression, the amount of pauperism has steadily declined. This is shown by the following table, which gives the number of persons, exclusive of vagrants, who were in receipt of

parochial relief in England and Wales on the 1st of January in each year :—

1871	.	.	.	.	1,081,926
1872	.	.	.	.	977,664
1873	.	.	.	.	890,372
1874	.	.	.	.	829,281
1875	.	.	.	.	815,587
1876	.	.	.	.	749,593
1877	.	.	.	.	728,350

There has also been a similar decline during the same years in the pauperism of Scotland and Ireland.

The remarkable diminution of pauperism which is shown by the above figures, is no doubt partly due to an improved administration of the poor-law. Within the last few years there has been an increasing tendency to restrict out-door relief; and the decline in pauperism has taken place almost entirely through a reduction in the number of out-door paupers. But making the fullest allowance for this circumstance, the significance of the fact still remains, that throughout a period of great industrial depression, there has been a steady decline in pauperism. It thus appears to be conclusively shown, that although this industrial depression has undoubtedly been severely felt by certain special trades, it cannot have produced any very serious effect upon the nation as a whole.

Other facts may be adduced which clearly indicate that the industrial depression, from which the trade of England has been recently suffering, has not produced any very marked effect upon the general condition of the country. In a period of wide-spread national distress there would inevitably be a marked diminution in the amount of Savings Banks deposits, accompanied by a considerable increase in the sums withdrawn. Taking 1873 as a year of maximum trade activity, and comparing it with 1876, a year of severe depression, it is found that in 1876 the amount deposited in the Savings Banks was 18,895,560*l.*, and this amount

exceeds by no less a sum than 1,673,589*l.* the amount deposited in 1873. The amount withdrawn in 1876 exceeded the amount withdrawn in 1873 by a sum almost exactly equivalent to the increase in the amount deposited. So far, therefore, as the Savings Banks deposits may be regarded as affording a test of the general condition of the country, the figures just quoted are strongly confirmatory of the opinion, which has been already expressed, that the present industrial depression has not produced any marked effect upon the general condition of the nation. The considerable increase in the withdrawals from Savings Banks undoubtedly shows that there has been severe distress in certain localities; but the counterbalancing increase in the deposits proves that the capacity to save of the general body of the people has not been affected, and that the loss suffered by the working classes in certain localities has been accompanied by an improvement in their condition in other localities.

The traffic returns of the railways may be referred to as affording another proof that the inactivity in some special branches of trade has produced much less effect on the general condition of the country than is usually supposed. From the complaints that are constantly made about the stagnation of business it might be fairly concluded that there would be a serious falling off in the traffic returns of the railways. There has, however, been no such falling off. On the contrary, again comparing the years 1873 and 1876, it will be found that in the latter year the number of miles of railway open in England had increased, and that the gross receipts per mile had also increased from 4,139*l.* in 1873 to 4,212*l.* in 1876.

The facts which have just been quoted have not been brought forward with the intention of showing that depressed trade is no disadvantage to a country: the object I have had in view, is to point out that an exaggerated estimate is habitually made of the benefit which the nation

derives from special branches of industry enjoying exceptional prosperity. A large portion of the additional wealth which appears to be created when certain trades are unusually active, really represents no increase whatever in the aggregate wealth of the nation. It is simply a transfer of wealth from the general public to a special class: the few are enriched by the contributions of the many. When, for instance, it is now said that the coal trade is in a deplorable condition, it would be altogether erroneous to conclude that the production of coal has greatly diminished, and that less coal is being used than formerly. On the contrary, the production of coal has increased. In 1873, the year of maximum prices, 127,016,747 tons of coal were produced; in 1875,¹ a year of extreme depression, 131,867,105 tons of coal were produced. Within these two years there had been no doubt a great decline in the profits of the coal-owners, and a very considerable falling off in the wages of the colliers; but, on the other hand, the consumers of coal, representing the entire nation, enjoyed the great advantage of having to pay 13s. or 14s. less for every ton of coal they purchased. The community has been in fact relieved of a most onerous burden of many millions a year. Although, therefore, the coal-owners and those whom they employ are much less well-off than they were before, and must consequently reduce their expenditure, yet as what has been lost by them has been to a great extent gained by the rest of the nation, there is no reason why the amount which the nation can expend on articles of general consumption should diminish. This no doubt indicates one reason why, as previously shown, the consumption of articles in general use has not decreased; and why, throughout the continuance of the present depression, there has been no falling off in the import trade of the country.

The remarks which have been made in reference to the coal trade apply to many other industries. The fall in

¹ 1875 is the latest year given in the *Statistical Abstract* for 1877.

prices has widely extended, and in every instance in which it has occurred it is equally true, as pointed out in regard to the price of coal, that a considerable portion of that which is lost by the producer is gained by the consumer. It is no doubt a serious disadvantage to mill-owners and operatives that cotton and woollen goods should not sell for as much as they did formerly ; but, at the same time, the fact should not be lost sight of, that it is a great advantage to all the people who wish to purchase these goods, that they are able to buy them more cheaply than formerly. In discussions with regard to the effect on the country of a particular state of trade, attention is generally entirely concentrated on the interest of the producer ; and the interest of the consumer is passed over almost unnoticed. The inflation of prices which occurs in a period of great activity inflicts a severe injury upon all that numerous class whose incomes are fixed in pecuniary amount. The annuitant, the fundholder, the person in receipt of a fixed salary, the numerous class whose wages do not vary with the state of trade, all these suffer severely when prices are forced up in a period of exceptionally active trade ; their income or their earnings remaining the same, while almost everything they have to purchase is becoming dearer, they do not receive any compensation for the loss which is thus inflicted upon them. As they find that their incomes possess less and less purchasing power, it is no advantage for them to hear that certain persons, possibly the fortunate owners of a mineral monopoly, are becoming rich with unprecedented rapidity.

If a comparison is made between the prices of articles of general consumption, in England, in 1873, and their prices at the present time (April, 1878), it will be at once seen that there has been a fall sufficient to produce a not inconsiderable reduction in the cost of living. It is estimated that the cost of maintaining the household of an artisan is, on the average, from seven to eight per cent. less than it was

five years ago.¹ It therefore appears that all those who are in the receipt of fixed pecuniary incomes, whether these incomes are derived from investments, salaries, or wages, are decidedly better off than they were when the trade of the country was in a state of maximum activity, and when the nation was said to be enjoying unusual prosperity. The persons, who are in the position just described, constitute a numerous and important section of the community, and the addition which has thus been virtually made to their incomes enables them to become larger purchasers of articles of general consumption. An extra demand for these articles is thus created, which may counter-balance the falling-off in the demand of those who are employed in the trades which are specially depressed, and whose wages have consequently been considerably reduced. It is also to be borne in mind, that this fall in the prices of articles of general consumption, makes a reduction in wages less serious than it otherwise would be.

It would be scarcely appropriate, in discussing the subject of protection and free trade, to attempt to investigate all the economic phenomena associated with a period of commercial depression. I have, however, thought it desirable to consider those aspects of the subject to which attention has been here directed, because it is important to show whether, in periods of industrial depression, the effects which are produced by such depression, are more serious to a country which has adopted a policy of free trade, than they are to a country which maintains a system of protection. In view of the disappointment which is sometimes expressed, that after England has adopted free trade for thirty years, severe depression should have fallen on some branches of her industry, it becomes important to show that although the effects of this depression are more severely felt in protectionist than in free-trade countries, yet if the commerce of every country

¹ See *Economist*, 20th April, 1878.

were as entirely freed from protective restrictions, as is the commerce of England, periods of depressed trade would inevitably occur. The depression from which various branches of industry are suffering at the present time, may be regarded as the natural outcome of the prosperity which these same industries were enjoying a few years since. It is not more certain that night will follow day, or that winter will follow summer, than that a time of exceptional prosperity in trade will be succeeded by a period of corresponding depression. The extremely high profits which were realised by coal-owners and iron-masters five years since, have undoubtedly produced the low rate of profit which is returned to capital invested in these industries at the present time. Whenever any particular trade becomes exceptionally remunerative, people eagerly strive to share the advantages which that trade offers ; a largely increased amount of capital is pressed into it ; new mines are opened, or new works or manufactories are built, and the means of production are greatly extended. If the demand which originally created the exceptional activity is not permanently maintained, those engaged in the trade are in the position of possessing appliances for a great increase in the supply, at a time when there is either a diminution of the demand, or when there is no increase corresponding to the larger supply. The inevitable consequence is a rapid fall in prices, and a diminution in profits and wages, such as that which has taken place in all those industries which were most prosperous a few years since.

It has already been shown that the quantity of coal which is raised, and also the quantity at the present time used, in England, is greater than it was five years since, when the price of coal was exceptionally high. The high prices which then prevailed, and the large profits which were then realised, caused many new mines to be opened, and the works in existing mines to be greatly extended. This particular branch of industry being thus

much enlarged, an increased quantity of coal is annually raised ; but as the circumstances which caused an exceptionally active demand for coal in 1873 are no longer in operation, the additional coal which is now raised cannot be sold except at a considerable reduction in price. Unless an industry becomes depressed in consequence of a permanent falling off in the demand, or in consequence of the demand being satisfied from some cheaper source, it is perfectly certain that the depression cannot permanently continue. When profits are exceptionally low, there is just the same inducement to contract a business as there is to extend it when profits are exceptionally high. In the present state of the coal trade, few new mines will be opened to take the place of those which are gradually being exhausted ; the supply will thus become restricted, there will be a tendency for prices to rise, and a sudden increase in the demand may again produce a rise in prices as marked as that which occurred five years since, and thus exceptional prosperity and exceptional depression succeed each other in regular cycles. As an example, it may be mentioned that within the last fifty years there have been in the English cotton trade five periods of great prosperity, succeeded in each instance by periods of corresponding depression. The large returns which are yielded both to capital and labour in periods of prosperity should be regarded as exceptional. The employers and the employed in any trade should never fail to remember that the equalising force of competition is ever present to prevent an abnormally high rate of profits and wages being permanently secured by those engaged in any particular branch of industry. Consequently a portion of the remuneration which is secured both by capital and labour in a time of exceptional activity, should be regarded as a reserve, to compensate the employers and the employed, for the reduction in profits and wages which will inevitably ensue.

There is therefore nothing connected with the present

industrial depression in England, which can lead to the conclusion that it will permanently continue, and there is certainly no reason to suppose that its effects could be mitigated in the slightest degree by the adoption of a policy of commercial restriction. It has in fact been shown from the statistics of pauperism, and other facts which have been adduced, that this depression has exerted very much less effect on the general condition of the country than is usually supposed. No circumstance has probably so much contributed to enable the country thus to tide over a period of bad trade as the reduction in the cost of living, which has resulted from the fall in the price of many articles of general consumption. When an article of general consumption is cheapened, the loss to the producer may be compensated by a gain to the consumer. Under a system of protection, however, there is no chance of bringing into operation such an influence to neutralise the consequences of depressed trade. An exactly opposite course is pursued, for by increasing the price of various commodities, through the imposition of protective duties, the cost of living is increased, and the general consumer is taxed in order to benefit the producer. In the United States, import duties are imposed on no less than 2,000 different articles. In England every article that is imported, except seven or eight, is admitted to her ports duty free. It has consequently happened that at a time when there has been a reduction in the cost of living in England, it has been so much increased in the United States, by the imposition of protective duties, that the American labourer with higher wages is scarcely so well off as is the English labourer with lower wages, and workmen are in large numbers leaving the United States in order to return to England. From all the facts which can be most relied upon as showing the general condition of a country, it may be concluded that the present industrial depression has been far more severely felt in the United

States, than it has been in England. Throughout the continuance of this depression there has been a steady decline of pauperism in England. Her people purchase an increased quantity of articles of general consumption ; the traffic returns of her railways are maintained ; and the amount deposited in the Savings Banks has increased. In the United States, on the contrary, there has been, during the same period, a steady increase in pauperism and destitution. Thus, in the State of Massachusetts, the number of vagrants has so largely increased, that whereas 43,000 were relieved in 1873, the number in 1876 was not less than 148,000. Whilst the traffic returns of the English railways have been maintained, the American railways have had to bear such disastrous losses, that in 1876 and 1877 no fewer than eighty-four railways, covering¹ 7,721 miles, were sold under foreclosure. The industrial depression, which has been shown to have scarcely affected the condition of the general body of the English people, has produced such widespread distress in the United States, that labour disputes have induced the workmen to make socialistic demands, such as, for many years, have scarcely been heard of in England. The people of America, having been long accustomed by the system of protection to look to the State for aid in their industry, not unnaturally seek State assistance in a time of trade depression ; and demands which may assume a serious communistic development are now made by unemployed American workmen, that the municipal authorities should find work for all applicants.

In a petition which has been signed by some of the leading merchants and manufacturers in the United States, and which is about to be presented to the Senate and the House of Representatives, in favour of unrestricted trade, it is stated that at the present time there is "unspeakable distress" among the working classes in America. It is

¹ See Paper read by A. J. Mundella, Esq., M.P., before the Statistical Society of London on February 19th, 1878.

also said, "Pauperism and crime increase daily within our borders; skilled mechanics tramp the country over in vain search for the means of living; and instances are not lacking where some of our best artisans have been induced to leave our shores to accept the so-called 'pauper wages' of other countries. . . . A day's labour in England will purchase from twenty-five to thirty per cent. more than a day's labour in the United States."

The accuracy of this description of the present condition of the United States will not be, I believe, disputed. When it is remembered that the unequalled natural resources possessed by that country ought to make her the most prosperous in the world, it becomes abundantly clear that the maintenance of a system of protection to a great extent paralyses the efforts of a people to meet the difficulties which have to be encountered in those periods of depression, which are apparently inseparably associated with the industrial system of every country, in which capital and labour actively compete for remunerative employment.

In attempting to show the effects produced on a free trade, and a protectionist country, respectively, in a time of industrial depression, a comparison might be made, not simply between England and the United States, but between England, Germany, Russia, and other countries, where a policy of commercial restriction is still maintained. I have, however, been induced to contrast the present condition of England and the United States, because in Russia and Germany, for instance, other circumstances are in operation which are independent of tariffs, and which materially affect the industrial condition of those countries at the present time. Russia has now to bear the strain of a costly war; and there can be no doubt that the military system which is maintained in Germany, and in other Continental countries, exerts a most important influence on their industrial economy. Not only are the resources of these countries severely taxed by their enormous armies, but even

a more serious loss is inflicted on them by the conscription, which draws away from industrial pursuits a large proportion of their population at the very period of life when they could render to the nation the most valuable services as productive labourers. Men have to devote themselves to military training, and to learning military manœuvres, at the time when they are best fitted to acquire skill in some handicraft. It is scarcely possible to over-estimate the direct and indirect loss which is thus inflicted on a community. Taking the last figures accessible,¹ it appears that the following is the strength, on a peace footing, of the armies of the five chief European Powers :—

Germany	419,000
Austria	267,000
Russia	768,000
France	430,000
Italy	199,000
TOTAL	2,083,000

These five Powers consequently have to bear, even in a time of peace, the enormous burden of maintaining more than 2,000,000 men in arms. Not only has the direct cost of their maintenance to be borne, but this vast number of men, in the prime of life, are drawn away from industrial pursuits. In order, however, to form an adequate idea of the loss caused to these countries by this rivalry in military armaments, which was inaugurated with the advent of the Second Empire in France, it is necessary to bear in mind that so large a proportion of the entire population have to spend some of the best years of life in military training, that these armies, immense though they are in time of peace, can be immediately trebled and quadrupled if it is decided to place them on a war footing. In face of such facts as these, I feel that it would be unfair to make a comparison between the present industrial condition of Germany and

¹ See *Statesman's Year-Book*, 1878.

England, and attribute the greater industrial depression which prevails at the present time in the former country to the policy of protection which she so zealously maintains. It could be easily shown that the depression in her trade, and the widespread distress which prevails amongst her workmen, are most materially aggravated, as is the case in the United States, by the system of commercial restriction which she so tenaciously supports; but it cannot be denied that this depression and this distress are at least as much due to the perpetual incubus which is imposed upon industrial development by such a military system as that which is, at the present time, maintained in Germany and other Continental countries.

CHAPTER VI.

COMMERCIAL TREATIES.

THE opposition which is at the present time offered to the negotiation of commercial treaties, has undoubtedly caused great surprise and disappointment to the advocates of free trade. When the commercial treaty, between France and England, was negotiated, it was confidently anticipated that through the agency of such treaties a very powerful stimulus would be given to the progress of free trade. Although the Anglo-French Treaty has benefited the trade of the two countries to a far greater extent than was expected, yet the opposition to the treaty has so much increased in France that its renewal now appears to be extremely doubtful. A similar hostility to commercial treaties is shown in other countries ; and it cannot be denied that the negotiation of these treaties will now meet with much more formidable difficulties than had to be encountered a few years since. It therefore becomes important to inquire how this change of opinion has been produced, and whether it is due to causes which should in the slightest degree make England waver from the policy of complete free trade which she has adopted.

In a period of industrial depression any circumstance which is prominently connected with the commerce of a country, is sure to be singled out as one of the chief causes by which this depression has been produced. In the United States bad trade is making many, who once placed implicit

faith in protection, doubt its efficacy ; and in England, where in prosperous times there was an unanimous approval of free trade, the opinion is now not unfrequently expressed that we have carried out a policy of commercial freedom almost too thoroughly and too precipitately. France has not escaped the industrial depression which at the present time exists in other countries ; and wherever a trade, which has been affected by the treaty, happens to be suffering from this depression, those who are engaged in it fasten on the treaty for special denunciation. The opposition therefore which is now shown to the renewal and negotiation of commercial treaties, is no doubt partly due to the prevailing industrial depression. It is also to be borne in mind that a commercial change, however great may be the advantage which it confers upon the community as a whole, can rarely be introduced without causing some loss to certain special classes. The benefit which is diffused over the rest of the nation is little spoken of. The million may gain by finding some article of general consumption cheapened. They accept the boon without either recognising, or taking the trouble to ascertain, the source from which it comes. The many who are benefited are silent ; the few who are injured are ceaseless and clamorous in their complaints.

Between 1858, just before the negotiation of the Anglo-French Treaty, and 1876, the imports from France to England have increased from 13,271,000*l.* to 41,200,000*l.*, and the exports from England to France from 9,242,000*l.* to 26,000,000*l.* This great increase in the trade between the two countries shows that the French and the English obtain from each other, respectively, a larger quantity of commodities which could not be obtained at all unless they were imported, or which can be imported at a cheaper rate than they can be produced at home. In thus opening the French market more freely to the English, and the English market more freely to the French, it may no doubt have happened that the demand for some particular article may

have been reduced in consequence of the home demand for it being diminished. Thus in 1858 the amount of silk manufactures, and silk imported from France into England was only 2,300,000*l.*; it was 9,800,000*l.* in 1875. Although it appears from these figures that the English purchase a greater quantity of French silk than they did before, it does not necessarily follow that less silk is in the aggregate manufactured in England. The home and foreign demand for an article may both be so much increased that a larger importation may be accompanied by a considerable augmentation in the home production. Thus the value of woollen cloth and yarn imported into France just before the Treaty in 1859 was 100,000*l.*; the value exported in the same year was 7,000,000*l.* Thus the value of these goods exported exceeded that imported by 6,900,000*l.* After the Treaty had been in operation for sixteen years, the value of the woollen cloth and yarns imported into France, had increased to no less an amount than 3,700,000*l.* But in the same time, the value of these goods exported from France had increased to 14,000,000*l.* It therefore appears that although the French woollen manufacturers complain more than any other class of traders of the injury that has been inflicted upon them by the increased importation into France of woollen goods from England, yet at the very time when this increased importation has been taking place the French woollen manufacture has been developed to a remarkable extent; for the figures just quoted show that during the time the Treaty has been in operation, an increase of the import of woollen goods of 3,600,000*l.* has been accompanied by an increase in the export of no less than 7,000,000*l.* The amount, therefore, by which the export of woollen goods has increased, exceeded by nearly 100 per cent., the amount by which the imports have increased. Such facts as these are persistently ignored by the French protectionists who oppose the renewal of the Treaty. They constantly refer to the additional quantity of manu-

factured articles imported from England, as if each bale of woollen or cotton goods sent from England to France necessarily caused a corresponding decrease in the quantity of these goods manufactured in France. The depression in the woollen trade in France cannot be produced by foreign importation, when there has been so great an increase in her export of woollen manufactures. This depression has undoubtedly been brought about by causes analogous to those which have produced depression in England and other countries; it simply represents one of those vicissitudes or reactions to which every trade is liable.

The opposition which is being offered in France to the renewal of the Commercial Treaty with England, has been assisted by another circumstance to which it is desirable to direct attention, because it affords an instructive example of the influence which economic fallacies, which are generally supposed to have been long since exploded, can still exercise on public opinion. There is no single point on which greater stress is laid, by various chambers of commerce in France, that have been most prominent in opposing the Treaty, than the change which has lately taken place in the relative amount of French exports and imports. For some years previous to 1876 the exports from France exceeded her imports. The average annual amount of this excess was about 9,000,000*l*. In 1876 the balance was turned in the opposite direction; for, in that year, the value of the produce imported into France exceeded the value of that exported by 16,000,000*l*. This change in the condition of her trade seems to have created great alarm; the fear is widely expressed that France is being drained of her resources, and the Commercial Treaty is consequently the more strongly denounced because it is considered to have been instrumental in producing this "unfavourable balance of trade." No trustworthy conclusions with regard to the industrial position of a country can be drawn from the

trade statistics of a single year. This excess of French imports over exports may be due to accidental and temporary circumstances; but if it should continue to be a permanent feature of the trade of France in the same way as it is of that of England, it would follow, as was shown in the last chapter, that there had been a marked improvement in the condition of France: that whereas formerly she was so much in debt to foreign countries that each year she had to send a considerable amount of produce abroad in order to liquidate this indebtedness, these countries have become so much indebted to her, her wealth has in fact so much increased, that, besides receiving payment for the goods she exports, there is annually due to her a surplus amounting to many millions.

When it is thus seen that the renewal of the Treaty is opposed on so many different grounds, it may not improbably happen that an attempt to negotiate another treaty between France and England will fail. If this should be the case there are many of our own countrymen who will no doubt think that England should depart from the policy which she has been pursuing, that she should take some steps to defend her own interests, and that she should no longer continue, as is so often said, "to give everything to foreigners and get back nothing from them in return." If France, refusing to renew the Treaty, should increase the duties on English products which were reduced at the time the Treaty was first negotiated, there are those who maintain that England should in turn impose heavier duties on the articles which she imports from France. Such a policy of retaliation has already been recommended by many English chambers of commerce. Although the undoubted right of England, under such circumstances, to increase the duties levied on French products, may be fully admitted, yet the important question to be determined is, not whether it would be justifiable, but whether it would be expedient for England to pursue such a course. It cannot be denied that

a country which has carried out a free-trade policy with thorough completeness is not in a favourable position to bring pressure to bear upon another country to accept a commercial treaty. If in England it were believed that an advantage would be derived from the imposition of a protective duty, we should then be able to propose to compensate ourselves by the imposition of such a duty, for any injury that France might inflict on our trade by increasing the duties on English goods imported into France. A protectionist country is obviously in a much better position to negotiate a commercial treaty than one that has adopted a complete free-trade policy. France knows that she might, for instance, raise all her import duties to the point at which they stood before they were reduced by the Treaty, without incurring any real risk that England would, in order to retaliate upon her, depart from the principles of free trade and impose protective duties on French products. The import duties which are imposed by the tariff of the United States are far higher than those which were levied in France before the Treaty ; and yet, as previously explained, we are absolutely powerless to retaliate upon the United States for the very serious injury which her tariff inflicts on English trade, without such a policy recoiling with disastrous effect upon ourselves. It would be possible by the imposition of a high protective duty, on some article which is largely imported into England from the United States, to make the people of that country suffer a loss, similar to that which is inflicted on England by the maintenance of their protective tariff. More than three-fifths of all the produce which is exported from the United States is sent to England ; and the trade of America might be very seriously crippled if she were excluded from the English market by a system of protection similar to that with which she prevents other countries obtaining free access to her own markets. But serious as is the harm which might thus be done to the United States, it is trifling compared with the disastrous

consequences which would be brought upon England, if we imposed protective duties with the object of impeding the importation of American produce. It has been clearly shown, by the statistics of American trade, that in order to retaliate upon her with any effect it would be necessary to levy protective duties either on articles of general consumption, or on products which represent the raw material of our most important branches of manufacturing industry. By thus making the food of the people dearer, we should cause ourselves, as a nation, an amount of loss and inconvenience compared with which the disadvantage to America which would result from the diminution of her export trade would be trifling. Again, by artificially raising the price of cotton and other products, which form the raw material of some of our leading industries, their very existence might be imperilled.

It may, however, be thought that the position of American trade is exceptional, and that our imports from no other country consist to so large an extent of food and raw material. Such articles of manufacture as silks, cottons, and woollens are imported to a very considerable amount into England from France, and as many of these articles come into direct competition with the products of English industry, it may be supposed that although we are precluded by the nature of our trade with the United States from pursuing a policy of retaliation towards her, yet we might with advantage impose duties on French manufactures, if France, refusing to renew the Commercial Treaty, subjects English trade to new restrictions. Such a proposal has already met with considerable support from several English chambers of commerce; and it has been suggested that if the treaty is not renewed, the English Government should be asked to impose duties on silks and other articles of French manufacture. It therefore becomes important to consider what would be the result of carrying out the policy thus indicated.

The value of the manufactured silk annually imported into England from France is about 6,000,000*l.*; and this importation would no doubt be considerably reduced if an import duty of 10 per cent. were imposed. Let it be assumed that this duty is a general one, and is levied on all manufactured silk from whatever country imported. The only effect of attempting to confine such a duty to French silks would be that the purpose of the duty would be almost entirely defeated. Nothing would be more easy than for the French manufacturer to send his silks, in the first place, to another country, prior to their exportation to England, and thus secure their entrance into the English market duty free. If the duty were imposed on all foreign silks, the price of these would be increased in the English market by somewhat more than the amount of the duty. The foreign manufacturer would thus be placed at a disadvantage in the English market, compared with the home manufacturer; and the English people would purchase a larger quantity of English silks and a less quantity of foreign silks. The price of silks in the English market, whether of foreign or of home manufacture, would be increased. The advance in the price of the former must be sufficient to compensate the foreign manufacturer for the duty which he now has to pay. The rise in the price of English silk could not permanently be of any advantage to silk manufacturers or their operatives, because, as has been so frequently shown, the competition of capital and labour, seeking remunerative employment, prevents the continuance of an abnormally high rate of profit and wages in any special industry. An increased amount of capital and a greater proportion of the labour of the country would be employed in the silk trade; but after the trade had settled down to its regular condition, a larger return could not be yielded to this capital and labour than is yielded in other industries. With regard to the interests of the consumer, as distinguished from

those of the producer, it is evident that every one who had to purchase silk, would have to pay a higher price for it. This extra price would, however, only represent a part of the loss to the general consumer. French silks are not always purchased in England on account of their greater cheapness ; they are often preferred because they are considered to be superior in colour, and are more attractive in other respects. Without desiring to express any opinion as to whether this preference is well-founded, it is obvious that if a protective duty were imposed, those who wished to buy French silks, would be fined, because they preferred them to silks of English manufacture. It therefore follows, as is the case with all taxation imposed with the object of protecting home industry, that the amount which the taxation yields to the revenue of the State, very inadequately represents the loss and inconvenience which are caused to the general community.

A more serious objection, however, against imposing a duty on some article of French manufacture, with the view of punishing the French for refusing to renew the Commercial Treaty, arises from the fact that if such a policy were once commenced it is impossible to foresee the extent to which it might not be developed. It may, for instance, be said that silk is a luxury ; and that there could be no very great hardship if those who purchased such a luxury had to pay a somewhat higher price for it. If we could impose a duty on French silk, and then stand still, little harm might possibly result. But every trade in England which is injured, or which supposes itself injured, by foreign competition, would immediately set up a claim for legislative protection. The very first bale of cotton goods that might be sent from America to England, after the silk manufacturer had obtained protection, would inevitably unite the whole cotton interest in Lancashire to demand that their trade should enjoy a similar security against foreign competition. Parliament would be petitioned, deputations would wait

upon the Government, and an amount of political influence would be brought into activity which there would be no chance of successfully resisting. It is almost impossible for a country to depart, however slightly, from the principles of free trade, without rendering a further departure inevitable. From each step that is taken in the paths of protection, increasing momentum is acquired, which will hurry a country on still farther in a policy of commercial restriction.

As it appears therefore to be impracticable for a country to resort to retaliatory import duties, unless it is prepared to sanction an indefinite extension of protection, it may be desirable to consider whether greater success would attend the imposition, as has been often proposed, of an export duty on some article for which there is a demand in those countries to whose markets free access for English goods is denied. There are many, for instance, who consider that it would be highly advantageous for England to impose an export duty on coal. It is supposed that through such a duty we might obtain a considerable revenue from foreign countries; and it is also thought that the possible increase of the duty might be kept as a weapon in reserve, which might be used to threaten foreign countries, if they subjected our commerce to increased restrictions. It is thus said that nothing would probably exert a more powerful influence in preventing the French increasing their duties on English goods, than if they could be told that from the very moment they increased these duties we should compel them to pay a higher price for every ton of English coal they purchased. It can, however, be easily shown that it is rarely, if ever, possible to impose an export duty without producing consequences, and incurring risks, which, at the time the duty is imposed, are not foreseen. As an example, it may be mentioned that when the Anglo-French Treaty was discussed in the English Parliament, a considerable amount of support was given to a proposal to levy an

export duty on coal. It was then very generally thought that England possessed such advantages in the production of coal, that the imposition of a moderate export duty would scarcely affect the foreign demand for English coal. In thus compelling foreigners to contribute to our revenue, whilst no injury was done to any branch of our own trade, it was argued that we should be partly compensating ourselves for the loss inflicted upon us by the commercial restrictions of other countries. From events which are now happening, it appears that if such an export duty had been sanctioned, foreign countries would gradually have ceased to purchase coal from us, and would have obtained it from other sources. Thus, a certain quantity of American coal is at the present time being sent to Europe; and it is confidently anticipated by the people of the United States that they will be able in future greatly to extend this trade. It may, therefore, with certainty be concluded that if the export of coal from England had been burdened with a duty, we should soon have entirely lost the foreign market for our coal. In a period of depressed trade like the present, the maintenance of such a duty would be impossible. There has been a great diminution in the profits of the proprietors of coal-mines; their workmen are suffering great distress in consequence of the reduction of wages to which they are obliged to submit; and it would be felt that there could be no justification whatever for adding to the difficulties which have thus to be encountered, by continuing to maintain a duty which, though it might yield nothing to the state, would have the effect of destroying the foreign demand for English coal.

Equally serious objections apply to every proposal which has been made for the imposition of a retaliatory export duty. Thus it has been suggested by some economists of authority, that with the object of benefiting our manufacturers, it would be desirable to impose an export duty on English machinery. Various foreign countries, it is said,

which restrict the importation of our goods by protective duties, employ English machinery, to a large extent, to manufacture articles which compete with the products of our own industry ; and in this way we supply the weapons of our own discomfiture. But if such a duty had been sanctioned it would, like an export duty on coal, have led to consequences which at the time of its imposition were not anticipated. Although at one time the machinery which foreign countries imported was chiefly obtained from England, yet there was nothing to warrant the conclusion that these countries must always necessarily look to England for the mechanical appliances which their own industry did not supply. We possess neither a monopoly of inventive skill, nor a monopoly of the iron, copper, and other materials from which machinery is constructed. The American people are at least as inventive as ourselves, and with their inexhaustible mineral resources, there is no reason why machinery of American manufacture should not be as cheap and as good as machinery made in England. It would therefore be impossible to impose an export duty on English machinery without greatly diminishing the foreign demand for it, and we should thus inflict a very serious injury on an important branch of English trade with no other result than compelling the French, the German, and the American manufacturers either to purchase their machinery from their own countrymen, or instead of buying it from England, to import it from some other country. This falling-off in the foreign demand may, however, be regarded as representing only a part of the harm which might be done by such a duty. With the gradual diminution of the foreign demand for English machinery, an important stimulus to enterprise and invention would cease to operate. Nothing is so likely to secure constant watchfulness to introduce every possible improvement into machinery, as the knowledge that in foreign markets we shall have to contend with the keen and active competition of other countries. It might also

happen that if there were any discouragement to mechanical invention in England, foreign machinery might be more largely employed in our own industry, and thus a double disadvantage would result: for there would be a decline not only in the foreign, but also in the home demand for English machinery.

As therefore it appears to be impossible for England, without inflicting upon herself very serious injury, to impose either import or export duties with the object of bringing pressure to bear on those countries which refuse to arrange commercial treaties with her, the question will no doubt be asked: "Can nothing be done?" It is, for instance, often said that it cannot be right for England to pursue a policy of passive indifference, and to continue to adhere strictly to the principles of free trade, when on all sides her proposals for commercial treaties are rejected, and when her access to foreign markets is being barred by more onerous restrictions. To the inquiry: "What ought under these circumstances to be done?"—it seems that we are irresistibly led to the conclusion, that, however much we may be prompted by a natural feeling of annoyance and disappointment to adopt retaliatory measures, we cannot by any possibility enter upon such a course of retaliation, without greatly aggravating instead of mitigating the mischief which is done to our trade by the protectionist tariffs of other countries. It has been shown that whether it be by the imposition of protective duties on the goods which we import from these countries, or by the levying of an export duty on the products which they purchase from us, England cannot carry out a policy of retaliation without very seriously imperilling her own industrial interests. Nothing would give more encouragement to foreign protectionists than the slightest departure on our part from the principles of free trade. Such a departure would be welcomed as an omen that we had at last found it necessary to secure our industry against the evils of foreign competition. If, however, we are firmly

resolved not to be drawn by any provocations, great though they may be, from a policy of commercial freedom, events will again and again occur which we may confidently anticipate will gradually bring conviction even to the staunchest supporters of protection, that the policy we thus maintain is not less just to others than beneficial to ourselves. Circumstances connected with the present industrial depression are undoubtedly giving a powerful assistance to the cause of free trade. So long as prosperous times continued, wealth was so rapidly accumulated in the United States, that the American people could hardly be expected to take much heed when they were told that if protection were abolished their country would become even still richer. Now, however, when this prosperity has temporarily passed away, and wide-spread distress prevails, every cause that may have heightened this industrial depression, is inquired into with anxious solicitude, and the wisdom of maintaining restricted tariffs is now doubted by many who, until recently, were their most unhesitating supporters. Two or three years ago, protection seemed to occupy a far more unassailable position in the United States than in any other country. The comparative ease with which a period of industrial depression has been tided over in England, contrasted with the serious consequences which it has brought upon the United States, has caused so important a section of the American people to look with favour upon free trade, that it seems not improbable that the principles of unrestricted commerce will gain ground most rapidly in the country where protection has hitherto held its strongest position.

As affording some compensation for the loss and inconvenience that may be caused if the French refuse to renew the Commercial Treaty with England, it should be remembered that great as are the advantages which result from such a Treaty, they are accompanied by at least one important disadvantage. When certain fiscal arrangements are entered into between two countries which are to remain

in operation during a fixed number of years, it is evident that throughout the continuance of this period, the freedom of each country to introduce changes in its tariff is somewhat curtailed. Thus by the Anglo-French Treaty, it was stipulated that only certain defined duties should be levied upon French wines imported into England. Some event might have occurred, such, for instance, as a prolonged and costly war, which might have made it necessary for England to have raised additional revenue by indirect taxation. If this had been the case, the Treaty stipulations into which she had entered would have virtually prevented her obtaining any portion of this additional revenue by increased taxation on alcoholic drinks. Although it appears from the interpretation usually given to the terms of the Treaty, that if the duty on home-made spirits were increased, it would be possible to levy an equivalent increase of duty on spirits imported from France and other foreign countries, yet we should have been precluded from imposing an additional duty on French wines, because the Treaty only permits the duty on French products to be increased when this additional duty can be counterbalanced by a corresponding addition to the excise duty which is imposed on the same article when produced in England. The French have complained that their wines, even under the Treaty, are more heavily taxed than English beer, and we have met these complaints by affirming that French wine does not come into direct competition with beer. The same argument would have been used against us, if we had attempted, in apparent contradiction to the provisions of the Treaty, to increase the duty on French wines. If, however, an addition had been made to the duty on malt and spirits, while the duty on French wines remained unaltered, it would have been at once objected that malt and spirits were unfairly taxed: not only the consumers of these articles, but English farmers, brewers, and distillers would have been able with justice to urge, that they would be placed

at a disadvantage, and that the growers of French wines would enjoy protection at the expense of English traders, if no addition were made to the duties levied on French wines. Again, if the duties were increased on all foreign wines except those which were imported from France, all the other wine-producing countries would have felt that they were unfairly treated, and they would not improbably have retaliated by subjecting English commerce to special restrictions. It seems that at the present time, we incur some risk of bringing such a spirit of retaliation into activity, in consequence of the agreement which we made with France, as to the particular amount of duty which should be levied on her wines. It is alleged by Spain that our duties are so adjusted as to place many wines which she produces at a disadvantage in the English market. The feeling that she has thus been unjustly treated, has prompted her to impose higher duties upon various products imported from England, than upon the same products imported from other countries. By the Anglo-French Treaty it was arranged that the duty imposed on foreign wines imported into England should vary with their alcoholic strength. The duty on wine of less than twenty-six degrees of alcoholic strength is 1s. per gallon; on wines possessing an alcoholic strength between twenty-six to forty-two degrees the duty is 2s. 6d.; and on wines of greater alcoholic strength still higher duties are imposed. It is alleged by Spain that the sudden leap in the duty from 1s. to 2s. 6d. subjects her to a special injustice; for it is maintained that the majority of the light wines of France possess less than twenty-six degrees of alcoholic strength; and therefore they can be imported at the minimum duty of 1s.; whereas a great many of the light wines of Spain possessing an alcoholic strength slightly exceeding twenty-six degrees, are compelled to pay the comparatively high duty of 2s. 6d. per gallon, and are thus virtually excluded from the English market. Without expressing a positive opinion as to the justice of these

complaints, belief in them is so general in Spain, that the Government of that country was induced last year so to frame its budget as to place English commerce at a special disadvantage. Such an occurrence shows how important it is that a country which desires, in accordance with the principles of free trade, to place the goods of all other countries on an equality in its own markets, should not, in order to facilitate the negotiation of a commercial treaty with any particular country, admit its goods on exceptionally favourable terms.

A consideration of the causes which at the present time retard the negotiation of commercial treaties, may be concluded by referring to one circumstance, which is supposed by some not only to impede the acceptance of these treaties, but also to give encouragement to the supporters of protection in foreign countries. It has lately been frequently asserted by many who are engaged in one of the most important of English industries, that it is vain for us to expect other countries to adopt the principles of free trade while we sanction the continuance of a protective duty in a dependency whose financial arrangements are directly under our control. It has been urged with much persistency that the 5 per cent. duty which is imposed upon cotton goods imported into India, being a protective tax, ought at once to be repealed by the authority of the English Parliament, and that as long as the duty is permitted to remain, a national sanction is given on the part of England to protection. The subject has lately excited an unusual amount of attention; because within the last few years many large cotton-mills have been erected in Bombay, and as some of the cotton goods which are imported into India, are of the same kind as the goods which are manufactured in these mills, it is evident that the Bombay manufacturers enjoy a protection of 5 per cent. on all the products they make which are similar in character to those imported. All the economic objections which can be urged against any protective duty

of course apply to this particular tax. The price not simply of those cotton goods which pay the duty is raised, but the duty causes the price of those goods which are made in India to be also raised; consequently the tax takes from the people of India an amount far exceeding that which it yields to the State. The tax therefore, like every other tax which is protective in character, must be, on economic grounds, unhesitatingly condemned. The subject, however, cannot be regarded as one involving simply economic considerations. It would scarcely be appropriate here to discuss the question in its political bearings, but it is perfectly obvious that the control which it is just and wise for the English Parliament to exercise over the taxation of any of its dependencies, involves political considerations of the first importance. A more serious error can scarcely be committed than to impose taxation on a people regardless of their feelings and their sentiments. The most equitable system of taxation which it is possible to devise for one country, may be altogether unsuited to other countries. Many financiers of authority who consider that the income-tax ought to be permanently maintained in England, are of opinion that in consequence of the many abuses which are inseparably associated with the collection of the income-tax in India, nothing but extreme necessity could justify its re-imposition in that country. In deciding whether the duties now imposed on cotton goods imported into India, ought at once to be repealed, it is of the first importance to bear in mind the peculiar and critical position of Indian finance. The great mass of the people of that country are so poor, and live with such extreme frugality, that with the exception of salt there is no article of general consumption which it is possible to tax; and the duty on salt has been strained to its utmost point, being one of the heaviest duties ever imposed on a first necessary of life. As therefore there remains no article of general consumption which can be taxed, it is obvious that

the resources of taxation are extremely small in India ; for it is scarcely necessary to remark that the taxation which is most productive is that which is levied on some article in universal use, to which therefore the whole nation has to contribute. In recent years the expenditure in India has steadily and surely increased ; her revenue has advanced far more slowly ; frequently-recurring deficits have had to be met by borrowing ; and her debt has been constantly augmented. Her financial position has been still further embarrassed by the recurrence within the last eleven years of no less than four famines, the cost of the last two of these famines reaching the sum of 16,000,000/. Under these circumstances no existing source of revenue can with prudence be surrendered ; and therefore the proposal to abolish the existing import duties on cotton goods cannot be dissociated from the question : What new taxation is to be imposed to fill the void in the revenue which the repeal of these import duties would create ? Hitherto those representatives of the English manufacturing interest who so strongly condemn these duties, have not recommended any other taxation to take their place, and no new tax has been suggested which would not be either far more burdensome, or far more disliked by the people of India themselves. If by greater economy or by better administration, the expenditure of India were reduced, a sufficient surplus might be provided to enable these import duties to be repealed. But this greater economy and better administration ought to be ensured before the revenue which these duties yield is relinquished.

Many of those who have taken a prominent part in advocating the repeal of these cotton duties, have undoubtedly been prompted by a sincere dislike to England being either directly or indirectly concerned with the maintenance of any form of protection. In urging, however, the immediate repeal of this protective duty, it should be remembered that many English colonies maintain a

system of protection far more extended and far more onerous in its character. If no attempt is made to interfere with the colonies, while it is insisted on the part of England, regardless of the wishes of the Indian people, that a particular duty which is imposed in that country shall be repealed, the impression will not unnaturally be produced that India is unfairly treated, and that she is sacrificed to the interests of English manufacturers. Such a feeling no doubt already exists in India ; and it has been much intensified by the manner in which the question of the repeal of these duties has been advocated in England. The subject is habitually treated from the English rather than from the Indian point of view. The injury which is done to English trade by a restrictive duty is brought prominently to the foreground, and comparatively little notice is taken of the most cogent objection to be urged against this and every protective tax,—that it takes from the people on whom it is imposed an amount which far exceeds that which it yields to the revenue of the State. In the appeals that are so often made that the Indian cotton duties should be abolished, in order that England may consistently maintain her adherence to the principles of free trade, the mistake which may be regarded as the cardinal error of the protective system, is not unfrequently committed :—The interest of the manufacturers, as producers, is considered ; the interest of the people, as consumers, is ignored.

THE END

LONDON:
R CLAY, SONS, AND TAYLOR, PRINTERS,
BREAD STREET HILL.

WORKS BY
HENRY FAWCETT, M.P.,

Professor of Political Economy in the University of Cambridge.

MANUAL OF POLITICAL ECONOMY.

Fifth Edition, with New Chapters on the Depreciation of
Silver, &c. Crown 8vo. 12s.

The *Daily News* says : " It forms one of the best introductions to the principles of the science, and to its practical applications in the problems of modern, and especially of English, government and society."

In reviewing the last edition, the *Daily News* says : " The new chapters, like the rest of the work, exhibit that clear view and strong grasp of his subject which mark Mr. Fawcett's treatment of nearly every topic he takes in hand."

**SPEECHES ON SOME CURRENT
POLITICAL QUESTIONS.**

8vo. 10s. 6d.

CONTENTS :—Indian Finance and Budget, 1872-1873—Birmingham League and Education Act, 1873—The Nine Hours Bill—Election Expenses—Women's Suffrage—Household Suffrage—Irish University Education—Enclosure of Commons—Law Officers of the Crown—Speech at Brighton, 1873.

**THE ECONOMIC POSITION OF THE
BRITISH LABOURER.**

Extra fcap. 8vo. 5s.

CONTENTS :—Introductory Remarks—The Land Tenure of England—Co-operation—Causes which Regulate Wages—Trades Unions and Strikes—Emigration.

MACMILLAN & CO., LONDON.

WORKS BY
MRS. FAWCETT.

New Edition, 18mo., price 2s. 6d.

**POLITICAL ECONOMY FOR
BEGINNERS.**
WITH QUESTIONS.

"Clear, compact, and comprehensive."—*Daily News*.
"Mrs. Fawcett's treatise is perfectly suited to its purpose."—*Spectator*.
"The relations of capital and labour have never been more simply or more clearly expounded."—*Contemporary Review*.

TALES IN POLITICAL ECONOMY.

Crown 8vo. 3s.

"The idea is a good one, and it is quite wonderful what a mass of economic teaching the author manages to compress into a small space. . . . The true doctrines of International Trade, Currency, and the ratio between Production and Population, are set before us and illustrated in a masterly manner."—*Athenæum*.

In 8vo., price 10s. 6d.

**ESSAYS AND LECTURES ON SOCIAL
AND POLITICAL SUBJECTS.**

By PROFESSOR FAWCETT, M.P., and MRS. FAWCETT.

CONTENTS:—Modern Socialism—General Aspects of State Intervention—Free Education in its Economic Aspects—Pauperism, Charity, and the Poor Law—National Debts and National Prosperity—The Education of Women—Why Women Require the Franchise—The House of Lords—&c., &c.

MACMILLAN & CO., LONDON.

BEDFORD STREET, STRAND, LONDON, W.C.
February 1878.

*MACMILLAN & CO.'S CATALOGUE of Works
in the Departments of History, Biography,
Travels, Critical and Literary Essays,
Politics, Political and Social Economy,
Law, etc.; and Works connected with Lan-
guage.*

HISTORY, BIOGRAPHY, TRAVELS, &c.

Albemarle.—FIFTY YEARS OF MY LIFE. By GEORGE THOMAS, Earl of Albemarle. With Steel Portrait of the first Earl of Albemarle, engraved by JEENS. Third and Cheaper Edition. Crown 8vo. 7s. 6d.

"The book is one of the most amusing of its class. . . . These reminiscences have the charm and flavour of personal experience, and they bring us into direct contact with the persons they describe."—EDINBURGH REVIEW.

Anderson.—MANDALAY TO MOMIEN; a Narrative of the Two Expeditions to Western China, of 1868 and 1875, under Colonel E. B. Sladen and Colonel Horace Browne. By Dr. ANDERSON, F.R.S.E., Medical and Scientific Officer to the Expeditions. With numerous Maps and Illustrations. 8vo. 21s.

"A handsome, well-timed, entertaining, and instructive volume."—ACADEMY.

"A pleasant, useful, carefully-written, and important work."—ATHENÆUM.

Appleton.—Works by T. G. APPLETON:—

A NILE JOURNAL. Illustrated by EUGENE BENSON. Crown 8vo. 6s.

SYRIAN SUNSHINE. Crown 8vo. 6s.

Arnold.—ESSAYS IN CRITICISM. By MATTHEW ARNOLD. New Edition, Revised and Enlarged. Crown 8vo. 9s.

Atkinson.—AN ART TOUR TO NORTHERN CAPITALS OF EUROPE, including Descriptions of the Towns, the Museums, and other Art Treasures of Copenhagen, Christiania, Stockholm,

3000.3.78.

A

2 MACMILLAN'S CATALOGUE OF WORKS IN

Abo, Helsingfors, Wiborg, St. Petersburg, Moscow, and Kief.
By J. BEAVINGTON ATKINSON. 8vo. 12s.

"Although the main purpose of the book is strictly kept in view, and we never forget for long that we are travelling with a student and connoisseur, Mr. Atkinson gives variety to his narrative by glimpses of scenery and brief allusions to history and manners which are always welcome when they occur, and are never wordy or overdone. We have seldom met with a book in which what is principal and what is accessory have been kept in better proportion to each other."—SATURDAY REVIEW.

Awdry.—THE STORY OF A FELLOW SOLDIER. By FRANCES AWDRY. With Six Illustrations. Second Edition. Extra fcap. 8vo. 3s. 6d.

"This is a life of that brave, single-minded, and untiring Christian Soldier, Bishop Patteson, written for the young. It is simply and pleasantly written, and presents a lively picture of the labours, hardships, troubles, and pleasures of earnest Missionary work among the Polynesian Islands."—STANDARD.

Baker (Sir Samuel W.)—Works by Sir SAMUEL BAKER, Pacha, M.A., F.R.G.S.:—

COLONEL GORDON, in a letter to SIR SAMUEL BAKER, says: "You may rest assured that whatever may be said to the disparagement of your proceedings, there will remain the fact that you have done more for these countries than any living man can or will do hereafter, and history will never put my puny efforts in any way near your own."

ISMAILIA: A Narrative of the Expedition to Central Africa for the Suppression of the Slave Trade, organised by Ismail, Khedive of Egypt. With Portraits, Maps, and fifty full-page Illustrations by ZWECKER and DURAND. 2 vols. 8vo. 36s.

"A book which will be read with very great interest."—TIMES. *"Well written and full of remarkable adventures."*—PALL MALL GAZETTE. *"These two splendid volumes add another thrilling chapter to the history of African adventure."*—DAILY NEWS. *"Reads more like a romance . . . incomparably more entertaining than books of African travel usually are."*—MORNING POST.

THE ALBERT N'YANZA Great Basin of the Nile, and Exploration of the Nile Sources. Fifth Edition. Maps and Illustrations. Crown 8vo. 6s.

"Charmingly written," says the SPECTATOR, *"full, as might be expected, of incident, and free from that wearisome reiteration of useless facts which is the drawback to almost all books of African travel."*

THE NILE TRIBUTARIES OF ABYSSINIA, and the Sword Hunters of the Hamran Arabs. With Maps and Illustrations. Sixth Edition. Crown 8vo. 6s.

The TIMES says: *"It adds much to our information respecting Egyptian Abyssinia and the different races that spread over it. It contains, more-*

over, some notable instances of English daring and enterprising skill; it abounds in animated tales of exploits dear to the heart of the British sportsman; and it will attract even the least studious reader, as the author tells a story well, and can describe nature with uncommon power."

Bancroft.—THE HISTORY OF THE UNITED STATES OF AMERICA, FROM THE DISCOVERY OF THE CONTINENT. By GEORGE BANCROFT. New and thoroughly Revised Edition. Six Vols. Crown 8vo. 54s.

Barker (Lady).—Works by LADY BARKER :—
STATION LIFE IN NEW ZEALAND. Third Edition. Globe 8vo. 3s. 6d.

"We have never read a more truthful or a pleasanter little book."—
ATHENÆUM.

A YEAR'S HOUSEKEEPING IN SOUTH AFRICA. With Illustrations. Crown 8vo. 9s.

"We have to thank Lady Barker for a very amusing book, over which we have spent many a delightful hour, and of which we will not take leave without alluding to the ineffably droll illustrations which add so very much to the enjoyment of her clear and sparkling descriptions."—MORNING POST.

Blackburne.—BIOGRAPHY OF THE RIGHT HON. FRANCIS BLACKBURNE, Late Lord Chancellor of Ireland. Chiefly in connexion with his Public and Political Career. By his Son, EDWARD BLACKBURNE, Q.C. With Portrait Engraved by JEENS. 8vo. 12s.

Blanford (W. T.)—GEOLOGY AND ZOOLOGY OF ABYSSINIA. By W. T. BLANFORD. 8vo. 21s.

Brimley.—ESSAYS BY THE LATE GEORGE BRIMLEY, M.A. Edited by the Rev. W. G. CLARK, M.A. With Portrait. Cheaper Edition. Fcap. 8vo. 2s. 6d.

Brontë.—CHARLOTTE BRONTË. A Monograph. By T. WEMYSS REID. With Illustrations. Second Edition. Crown 8vo. 6s.

Mr. Reid's little volume, which is based largely on letters, hitherto unpublished, from Charlotte Brontë to her school-fellow and life-long friend, Miss Ellen Nussey, is meant to be a companion, and not a rival, to Mrs. Gaskell's well-known "Life." To speak of the advantage of making biography autobiographical by the liberal use of correspondence has

4 MACMILLAN'S CATALOGUE OF WORKS IN

she was by nature (as Mr. Reid puts it) "a happy and high-spirited girl, and that even to the very last she had the faculty of overcoming her sorrows by means of that steadfast courage which was her most precious possession, and to which she was indebted for her successive victories over trials and disappointments of no ordinary character."

The book is illustrated by a Portrait of the Rev. Patrick Brontë, several Views of Haworth and its neighbourhood, and a facsimile of one of the most characteristic of Charlotte's letters.

Brooke.—THE RAJA OF SARAWAK: an Account of Sir James Brooke, K.C.B., LL.D.. Given chiefly through Letters or Journals. By GERTRUDE L. JACOB. With Portrait and Maps. Two Vols. 8vo. 25s.

"They who read Miss Jacob's book—and all should read it: all who are under the delusion that in our time there is no scope for heroism, and no place for romantic adventure, and no place for enterprise and ambition—will see how incident is crowded upon incident, and struggle upon struggle, till in the very abundance of materials that come to her hand the authoress can scarcely stop to give sufficient distinctness to her wonderful narrative."—ACADEMY.

Brooke.—RECOLLECTIONS OF THE IRISH CHURCH.

By RICHARD S. BROOKE, D.D., late Rector of Wyton, Hunts. Crown 8vo. 4s. 6d.

Bryce.—Works by JAMES BRYCE, D.C.L., Regius Professor of Civil Law, Oxford:—

THE HOLY ROMAN EMPIRE. Sixth Edition, Revised and Enlarged. Crown 8vo. 7s. 6d.

"It exactly supplies a want: it affords a key to much which men read of in their books as isolated facts, but of which they have hitherto had no connected exposition set before them."—SATURDAY REVIEW.

TRANSCAUCASIA AND ARARAT: being Notes of a Vacation Tour in the Autumn of 1876. With an Illustration and Map. Third Edition. Crown 8vo. 9s.

"Mr. Bryce has written a lively and at the same time an instructive description of the tour he made last year in and about the Caucasus. When so well-informed a jurist travels into regions seldom visited, and even walks up a mountain so rarely scaled as Ararat, he is justified in thinking that the impressions he brings home are worthy of being communicated to the world at large, especially when a terrible war is casting a lurid glow over the countries he has lately surveyed."—ATHENÆUM.

Burgoyne.—POLITICAL AND MILITARY EPISODES DURING THE FIRST HALF OF THE REIGN OF GEORGE III. Derived from the Life and Correspondence of

the Right Hon. J. Burgoyne, Lieut.-General in his Majesty's Army, and M.P. for Preston. By E. B. DE FONBLANQUE. With Portrait, Heliotype Plate, and Maps. 8vo. 16s.

Burke.—EDMUND BURKE, a Historical Study. By JOHN MORLEY, B.A., Oxon. Crown 8vo. 7s. 6d.

"The style is terse and incisive, and brilliant with epigram and point. Its sustained power of reasoning, its wide sweep of observation and reflection, its elevated ethical and social tone, stamp it as a work of high excellence."—SATURDAY REVIEW.

Burrows.—WORTHIES OF ALL SOULS: Four Centuries of English History. Illustrated from the College Archives. By MONTAGU BURROWS, Chichele Professor of Modern History at Oxford, Fellow of All Souls. 8vo. 14s.

"A most amusing as well as a most instructive book."—GUARDIAN.

Campbell.—LOG-LETTERS FROM THE "CHALLENGER." By LORD GEORGE CAMPBELL. With Map. Fifth and cheaper Edition. Crown 8vo. 6s.

"A delightful book, which we heartily commend to the general reader."—SATURDAY REVIEW.

"We do not hesitate to say that anything so fresh, so picturesque, so generally delightful, as these log-letters has not appeared among books of travel for a long time."—EXAMINER.

"A more lively and amusing record of travel we have not had the fortune to read for some time. The whole book is pervaded by a spirit of life, animation, and fun."—STANDARD.

Campbell.—MY CIRCULAR NOTES: Extracts from Journals; Letters sent Home; Geological and other Notes, written while Travelling Westwards round the World, from July 6th, 1874, to July 6th, 1875. By J. F. CAMPBELL, Author of "Frost and Fire." 2 vols. Crown 8vo. 25s.

"We have read numbers of books of travel, but we can call to mind few that have given us more genuine pleasure than this. A more agreeable style of narrative than his it is hardly possible to conceive. We seem to be accompanying him in his trip round the world, so life-like is his description of the countries he visited."—LAND AND WATER.

Campbell.—TURKS AND GREEKS. Notes of a recent Excursion. By the Hon. DUDLEY CAMPBELL, M.A. With Coloured Map. Crown 8vo. 3s. 6d.

Carstares.—WILLIAM CARSTARES: a Character and Career of the Revolutionary Epoch (1649—1715). By ROBERT STORY, Minister of Rosneath. 8vo. 12s.

6. MACMILLAN'S CATALOGUE OF WORKS IN

Chatterton : A BIOGRAPHICAL STUDY. By DANIEL WILSON, LL.D., Professor of History and English Literature in University College, Toronto. Crown 8vo. 6s. 6d.

The EXAMINER thinks this "the most complete and the purest biography of the poet which has yet appeared."

Chatterton : A STORY OF THE YEAR 1770. By Professor MASSON, LL.D. Crown 8vo. 5s.

Cooper.—ATHENÆ CANTABRIGIENSES. By CHARLES HENRY COOPER, F.S.A., and THOMPSON COOPER, F.S.A. Vol. I. 8vo., 1500—85, 18s. ; Vol. II., 1586—1609, 18s.

Correggio.—ANTONIO ALLEGRI DA CORREGGIO. From the German of Dr. JULIUS MEYER, Director of the Royal Gallery, Berlin. Edited, with an Introduction, by Mrs. HEATON. Containing Twenty Woodbury-type Illustrations. Royal 8vo. Cloth elegant. 31s. 6d.

"The best and most readable biography of the master at present to be found in the English language."—ACADEMY. *"By its pictures alone the book forms a worthy tribute to the painter's genius."*—PALL MALL GAZETTE.

Cox (G. V.)—RECOLLECTIONS OF OXFORD. By G. V. Cox, M.A., New College, late Esquire Bedel and Coroner in the University of Oxford. *Cheaper Edition.* Crown 8vo. 6s.

"An amusing farrago of anecdote, and will pleasantly recall in many a country parsonage the memory of youthful days."—TIMES.

"Daily News."—THE DAILY NEWS' CORRESPONDENCE of the War between Germany and France, 1870—1. Edited with Notes and Comments. New Edition. Complete in One Volume. With Maps and Plans. Crown 8vo. 6s.

THE DAILY NEWS' CORRESPONDENCE of the War between Russia and Turkey, to the fall of Kars. Including the letters of Mr. Archibald Forbes, Mr. J. E. McGahan, and other Special Correspondents in Europe and Asia. Second Edition, enlarged. Crown 8vo. 10s. 6d.

Davidson.—THE LIFE OF A SCOTTISH PROBATIONER ; being a Memoir of Thomas Davidson, with his Poems and Letters. By JAMES BROWN, Minister of St. James's Street Church, Paisley. Second Edition, revised and enlarged, with Portrait. Crown 8vo. 7s. 6d.

Deas.—THE RIVER CLYDE. An Historical Description of the Rise and Progress of the Harbour of Glasgow, and of the Improvement of the River from Glasgow to Port Glasgow. By J. DEAS, M. Inst. C.E. 8vo. 10s. 6d.

Denison.—A HISTORY OF CAVALRY FROM THE EARLIEST TIMES. With Lessons for the Future. By Lieut.-Col. GEORGE DENISON, Commanding the Governor-General's Body Guard, Canada, Author of "Modern Cavalry." With Maps and Plans. 8vo. 18s.

Dilke.—GREATER BRITAIN. A Record of Travel in English-speaking Countries during 1866-7. (America, Australia, India.) By Sir CHARLES WENTWORTH DILKE, M.P. Sixth Edition. Crown 8vo. 6s.

"Many of the subjects discussed in these pages," says the DAILY NEWS, "are of the widest interest, and such as no man who cares for the future of his race and of the world can afford to treat with indifference."

Doyle.—HISTORY OF AMERICA. By J. A. DOYLE. With Maps. 18mo. 4s. 6d.

"Mr. Doyle's style is clear and simple, his facts are accurately stated, and his book is meritoriously free from prejudice on questions where partisanship runs high amongst us."—SATURDAY REVIEW.

Drummond of Hawthornden: THE STORY OF HIS LIFE AND WRITINGS. By PROFESSOR MASSON. With Portrait and Vignette engraved by C. H. JEENS. Crown 8vo. 10s. 6d.

"Around his hero, Professor Masson groups national and individual episodes and sketches of character, which are of the greatest interest, and which add to the value of a biographical work which we warmly recommend to the lovers of thoroughly healthy books."—NOTES AND QUERIES.

Duff.—NOTES OF AN INDIAN JOURNEY. By M. E. GRANT-DUFF, M.P., late Under Secretary of State for India. With Map. 8vo. 10s. 6d.

"These notes are full of pleasant remarks and illustrations, borrowed from every kind of source."—SATURDAY REVIEW.

Elliott.—LIFE OF HENRY VENN ELLIOTT, of Brighton. By JOSIAH BATEMAN, M.A., Author of "Life of Daniel Wilson, Bishop of Calcutta," &c. With Portrait, engraved by JEENS. Extra fcap. 8vo. Third and Cheaper Edition, with Appendix. 6s.

"A very charming piece of religious biography; no one can read it without both pleasure and profit."—BRITISH QUARTERLY REVIEW.

Elze.—ESSAYS ON SHAKESPEARE. By Dr. KARL ELZE. Translated with the Author's sanction by L. DORA SCHMITZ. 8vo. 12s.

"A more desirable contribution to criticism has not recently been made."—ATHENÆUM.

Eton College, History of. By H. C. MAXWELL LYTE, M.A. With numerous Illustrations by Professor DELAMOTTE, Coloured Plates, and a Steel Portrait of the Founder, engraved

8 **MACMILLAN'S CATALOGUE OF WORKS IN**

by C. H. JEENS. New and cheaper Issue, with Correction
Medium 8vo. Cloth elegant. 21s.

"*Hitherto no account of the College, with all its associations, has appeared which can compare either in completeness or in interest with this. . . . It is indeed a book worthy of the ancient renown of King Henry's College.*"—DAILY NEWS.

"*We are at length presented with a work on England's greatest public school, worthy of the subject of which it treats. . . . A really valuable and authentic history of Eton College.*"—GUARDIAN.

European History, Narrated in a Series of Historical
Selections from the best Authorities. Edited and arranged by
E. M. SEWELL and C. M. YONGE. First Series, crown 8vo. 6s.;
Second Series, 1088-1228, crown 8vo. 6s. Third Edition.

"*We know of scarcely anything,*" says the GUARDIAN, *of this volume, "which is so likely to raise to a higher level the average standard of English education."*

Faraday.—MICHAEL FARADAY. By J. H. GLADSTONE,
Ph.D., F.R.S. Second Edition, with Portrait engraved by JEENS
from a photograph by J. WATKINS. Crown 8vo. 4s. 6d.

PORTRAIT. Artist's Proof. 5s.

CONTENTS:—I. *The Story of his Life.* II. *Study of his Character.*
III. *Fruits of his Experience.* IV. *His Method of Writing.* V. *The*
Value of his Discoveries.—*Supplementary Portraits. Appendices:—List*
of Honorary Fellowships, etc.

Fisher.—THE CALIFORNIANS. By WALTER M. FISHER.
Crown 8vo. 6s.

"*His volume is of great interest and value.*"—WESTMINSTER REVIEW.

Forbes.—LIFE AND LETTERS OF JAMES DAVID
FORBES, F.R.S., late Principal of the United College in the
University of St. Andrews. By J. C. SHAIRP, LL.D., Principal
of the United College in the University of St. Andrews; P. G.
TAIT, M.A., Professor of Natural Philosophy in the University
of Edinburgh; and A. ADAMS-REILLY, F.R.G.S. 8vo. with
Portraits, Map, and Illustrations, 16s.

"*Not only a biography that all should read, but a scientific treatise,*
without which the shelves of no physicist's library can be deemed com-
plete."—STANDARD.

Freeman.—Works by EDWARD A. FREEMAN, D.C.L., LL.D.:—
HISTORICAL ESSAYS. Third Edition. 8vo. 10s. 6d.

CONTENTS:—I. "*The Mythical and Romantic Elements in Early*
English History;" II. "*The Continuity of English History;*" III.
"*The Relations between the Crowns of England and Scotland;*" IV.
"*St. Thomas of Canterbury and his Biographers;*" V. "*The Reign of*
Edward the Third;" VI. "*The Holy Roman Empire;*" VII. "*The*

Franks and the Gauls;" VIII. "*The Early Sieges of Paris;*" IX. "*Frederick the First, King of Italy;*" X. "*The Emperor Frederick the Second;*" XI. "*Charles the Bold;*" XII. "*Presidential Government.*"

A SECOND SERIES OF HISTORICAL ESSAYS. 8vo. 10s. 6d.

The principal Essays are:—"Ancient Greece and Mediæval Italy;" "Mr. Gladstone's Homer and the Homeric Ages;" "The Historians of Athens;" "The Athenian Democracy;" "Alexander the Great;" "Greece during the Macedonian Period;" "Mommson's History of Rome;" "Lucius Cornelius Sulla;" "The Flavian Cæsars."

COMPARATIVE POLITICS.—Lectures at the Royal Institution. To which is added the "Unity of History," the Rede Lecture at Cambridge, 1872. 8vo. 14s.

THE HISTORY AND CONQUESTS OF THE SARACENS. Six Lectures. Third Edition, with New Preface. Crown 8vo. 3s. 6d.

"*Mr. Freeman opportunely reprints his erudite and valuable lectures.*"—DAILY TELEGRAPH.

HISTORICAL AND ARCHITECTURAL SKETCHES: chiefly Italian. With Illustrations by the Author. Crown 8vo. 10s. 6d.

"*Mr. Freeman may here be said to give us a series of 'notes on the spot' in illustration of the intimate relations of History and Architecture, and this is done in so masterly a manner—there is so much freshness, so much knowledge so admirably condensed, that we are almost tempted to say that we prefer these sketches to his more elaborate studies.*"—NONCONFORMIST.

HISTORY OF FEDERAL GOVERNMENT, from the Foundation of the Achaian League to the Disruption of the United States. Vol. I. General Introduction. History of the Greek Federations. 8vo. 21s.

OLD ENGLISH HISTORY. With Five Coloured Maps. Fourth Edition. Extra fcap. 8vo., half-bound. 6s.

"*The book indeed is full of instruction and interest to students of all ages, and he must be a well-informed man indeed who will not rise from its perusal with clearer and more accurate ideas of a too much neglected portion of English history.*"—SPECTATOR.

HISTORY OF THE CATHEDRAL CHURCH OF WELLS, as illustrating the History of the Cathedral Churches of the Old Foundation. Crown 8vo. 3s. 6d.

"*The history assumes in Mr. Freeman's hands a significance, and, we may add, a practical value as suggestive of what a cathedral ought to be, which make it well worthy of mention.*"—SPECTATOR.

10 **MACMILLAN'S CATALOGUE OF WORKS IN**

Freeman—*continued.*

THE GROWTH OF THE ENGLISH CONSTITUTION FROM THE EARLIEST TIMES. Crown 8vo. 5s. Third Edition, revised.

GENERAL SKETCH OF EUROPEAN HISTORY. Being Vol. I. of a Historical Course for Schools edited by E. A. FREEMAN. Fifth Edition, enlarged. With Maps, Chronological Table, Index, &c. 18mo. 3s. 6d.

"It supplies the great want of a good foundation for historical teaching. The scheme is an excellent one, and this instalment has been accepted in a way that promises much for the volumes that are yet to appear."—EDUCATIONAL TIMES.

THE OTTOMAN POWER IN EUROPE : its Nature, its Growth, and its Decline. With Three Coloured Maps. Crown 8vo. 7s. 6d.

Galileo.—**THE PRIVATE LIFE OF GALILEO.** Compiled principally from his Correspondence and that of his eldest daughter, Sister Maria Celeste, Nun in the Franciscan Convent of S. Matthew in Arcetri. With Portrait. Crown 8vo. 7s. 6d.

Gladstone—Works by the Right Hon. W. E. GLADSTONE, M.P. :—

JUVENTUS MUNDI. The Gods and Men of the Heroic Age. Crown 8vo. cloth. With Map. 10s. 6d. Second Edition.

"Seldom," says the ATHENÆUM, "out of the great poems themselves, have these Divinities looked so majestic and respectable. To read these brilliant details is like standing on the Olympian threshold and gazing at the ineffable brightness within."

HOMERIC SYNCHRONISM. An inquiry into the Time and Place of Homer. Crown 8vo. 6s.

"It is impossible not to admire the immense range of thought and inquiry which the author has displayed."—BRITISH QUARTERLY REVIEW.

Goethe and Mendelssohn (1821—1831). Translated from the German of Dr. KARL MENDELSSOHN, Son of the Composer, by M. E. VON GLEHN. From the Private Diaries and Home Letters of Mendelssohn, with Poems and Letters of Goethe never before printed. Also with two New and Original Portraits, Facsimiles, and Appendix of Twenty Letters hitherto unpublished. Crown 8vo. 5s. Second Edition, enlarged.

"... Every page is full of interest, not merely to the musician, but to the general reader. The book is a very charming one, on a topic of deep and lasting interest."—STANDARD.

Goldsmid.—TELEGRAPH AND TRAVEL. A Narrative of the Formation and Development of Telegraphic Communication between England and India, under the orders of Her Majesty's Government, with incidental Notices of the Countries traversed by the Lines. By Colonel Sir FREDERIC GOLDSMID, C.B., K.C.S.I., late Director of the Government Indo-European Telegraph. With numerous Illustrations and Maps. 8vo. 21s.

"The merit of the work is a total absence of exaggeration, which does not, however, preclude a vividness and vigour of style not always characteristic of similar narratives."—STANDARD.

Gordon.—LAST LETTERS FROM EGYPT, to which are added Letters from the Cape. By LADY DUFF GORDON. With a Memoir by her Daughter, Mrs. Ross, and Portrait engraved by JEENS. Second Edition. Crown 8vo. 9s.

"The intending tourist who wishes to acquaint himself with the country he is about to visit, stands embarrassed amidst the riches presented for his choice, and in the end probably rests contented with the sober usefulness of Murray. He will not, however, if he is well advised, grudge a place in his portmanteau to this book."—TIMES.

Gray.—CHINA. A History of the Laws, Manners, and Customs of the People. By the VENERABLE JOHN HENRY GRAY, LL.D., Archdeacon of Hong Kong, formerly H.B.M. Consular Chaplain at Canton. Edited by W. Gow Gregor. With 150 Full-page Illustrations, being Facsimiles of Drawings by a Chinese Artist. 2 Vols. Demy 8vo. 32s.

Green.—Works by JOHN RICHARD GREEN :—

HISTORY OF THE ENGLISH PEOPLE. Vol. I.—Early England—Foreign Kings—The Charter—The Parliament. With 8 Coloured Maps. 8vo. 16s. Vol. II.—To the end of Elizabeth's Reign. 8vo. 16s. [To be completed in 5 Vols.]

"Mr. Green has done a work which probably no one but himself could have done. He has read and assimilated the results of all the labours of students during the last half century in the field of English history, and has given them a fresh meaning by his own independent study. He has fused together by the force of sympathetic imagination all that he has so collected, and has given us a vivid and forcible sketch of the march of English history. His book, both in its aims and its accomplishments, rises far beyond any of a similar kind, and it will give the colouring to the popular view to English history for some time to come."—EXAMINER.

A SHORT HISTORY OF THE ENGLISH PEOPLE. With Coloured Maps, Genealogical Tables, and Chronological Annals. Crown 8vo. 8s. 6d. Fifty-second Thousand.

"To say that Mr. Green's book is better than those which have preceded it, would be to convey a very inadequate impression of its merits. It

12 **MACMILLAN'S CATALOGUE OF WORKS IN**

stands alone as the one general history of the country, for the sake of which all others, if young and old are wise, will be speedily and surely set aside."

STRAY STUDIES FROM ENGLAND AND ITALY. Crown 8vo. 8s. 6d. Containing: Lambeth and the Archbishops—The Florence of Dante—Venice and Rome—Early History of Oxford—The District Visitor—Capri—Hotels in the Clouds—Sketches in Sunshine, &c.

"One and all of the papers are eminently readable."—ATHENÆUM.

Hamerton.—Works by P. G. HAMERTON:—

THE INTELLECTUAL LIFE. With a Portrait of Leonardo da Vinci, etched by LEOPOLD FLAMENG. Second Edition. Crown 10s. 6d. 8vo.

"We have read the whole book with great pleasure, and we can recommend it strongly to all who can appreciate grave reflections on a very important subject, excellently illustrated from the resources of a mind stored with much reading and much keen observation of real life."—SATURDAY REVIEW.

THOUGHTS ABOUT ART. New Edition, revised, with an Introduction. Crown 8vo. 8s. 6d.

"A manual of sound and thorough criticism on art."—STANDARD.
"The book is full of thought, and worthy of attentive consideration."—DAILY NEWS.

Hill.—**WHAT WE SAW IN AUSTRALIA.** By ROSAMOND and FLORENCE HILL. Crown 8vo. 10s. 6d.

"May be recommended as an interesting and truthful picture of the condition of those lands which are so distant and yet so much like home."—SATURDAY REVIEW.

Hole.—**A GENEALOGICAL STEMMA OF THE KINGS OF ENGLAND AND FRANCE.** By the Rev. C. HOLE, M.A., Trinity College, Cambridge. On Sheet, 1s.

A BRIEF BIOGRAPHICAL DICTIONARY. Compiled and Arranged by the Rev. CHARLES HOLE, M.A. Second Edition. 18mo. 4s. 6d.

Hozier (H. M.)—Works by CAPTAIN HENRY M. HOZIER, late Assistant Military Secretary to Lord Napier of Magdala:—

THE SEVEN WEEKS' WAR; Its Antecedents and Incidents. *New and Cheaper Edition.* With New Preface, Maps, and Plans. Crown 8vo. 6s.

"All that Mr. Hozier saw of the great events of the war—and he saw a large share of them—he describes in clear and vivid language."—SATURDAY REVIEW.

Hozier (H. M.)—*continued.*

THE BRITISH EXPEDITION TO ABYSSINIA. Compiled from Authentic Documents. 8vo. 9s.

"*This*," says the SPECTATOR, "will be the account of the Abyssinian Expedition for professional reference, if not for professional reading. Its literary merits are really very great."

THE INVASIONS OF ENGLAND : a History of the Past, with Lessons for the Future. Two Vols. 8vo. 28s.

The PALL MALL GAZETTE says :—"As to all invasions executed, or deliberately projected but not carried out, from the landing of Julius Cæsar to the raising of the Boulogne camp, Captain Hozier furnishes copious and most interesting particulars. Nor is his manner inferior to his matter. He writes with admirable lucidity. His narrative, too, in addition to its clearness and animation, is flavoured with much delicate humour, often of a very significant kind."

Hübner.—A RAMBLE ROUND THE WORLD IN 1871. By M. LE BARON HÜBNER, formerly Ambassador and Minister. Translated by LADY HERBERT. 2 vols. 8vo. 25s.

"It is difficult to do ample justice to this pleasant narrative of travel . . . it does not contain a single dull paragraph."—MORNING POST.

Hughes.—Works by THOMAS HUGHES, Q.C., Author of "Tom Brown's School Days."

MEMOIR OF A BROTHER. With Portrait of GEORGE HUGHES, after WATTS. Engraved by JEENS. Crown 8vo. 5s. Sixth Edition.

"The boy who can read this book without deriving from it some additional impulse towards honourable, manly, and independent conduct, has no good stuff in him."—DAILY NEWS.

ALFRED THE GREAT. New Edition. Crown 8vo. 6s.

Hunt.—HISTORY OF ITALY. By the Rev. W. HUNT, M.A. Being the Fourth Volume of the Historical Course for Schools. Edited by EDWARD A. FREEMAN, D.C.L. 18mo. 3s.

"Mr. Hunt gives us a most compact but very readable little book, containing in small compass a very complete outline of a complicated and perplexing subject. It is a book which may be safely recommended to others besides schoolboys."—JOHN BULL.

Irving.—THE ANNALS OF OUR TIME. A Diurnal of Events, Social and Political, Home and Foreign, from the Accession of Queen Victoria to the Peace of Versailles. By JOSEPH IRVING. Fourth Edition. 8vo. half-bound. 16s.

ANNALS OF OUR TIME. Supplement. From Feb. 28, 1871, to March 19, 1874. 8vo. 4s. 6d.

"We have before us a trusty and ready guide to the events of the past thirty years, available equally for the statesman, the politician, the public writer, and the general reader."—TIMES.

14 **MACMILLAN'S CATALOGUE OF WORKS IN**

Killen.—**ECCLESIASTICAL HISTORY OF IRELAND**, from the Earliest Date to the Present Time. By W. D. KILLEN, D.D., President of Assembly's College, Belfast, and Professor of Ecclesiastical History. Two Vols. 8vo. 25s.

"Those who have the leisure will do well to read these two volumes. They are full of interest, and are the result of great research. . . . We have no hesitation in recommending the work to all who wish to improve their acquaintance with Irish history."—SPECTATOR.

Kingsley (Charles).—Works by the Rev. CHARLES KINGSLEY, M.A., Rector of Eversley and Canon of Westminster. (For other Works by the same Author, see THEOLOGICAL and BELLES LETTRES Catalogues.)

ON THE ANCIEN RÉGIME as it existed on the Continent before the FRENCH REVOLUTION. Three Lectures delivered at the Royal Institution. Crown 8vo. 6s.

AT LAST : A CHRISTMAS in the WEST INDIES. With nearly Fifty Illustrations. Fifth Edition. Crown 8vo. 6s.

Mr. Kingsley's dream of forty years was at last fulfilled, when he started on a Christmas expedition to the West Indies, for the purpose of becoming personally acquainted with the scenes which he has so vividly described in "Westward Ho!" These two volumes are the journal of his voyage. Records of natural history, sketches of tropical landscape, chapters on education, views of society, all find their place. "We can only say that Mr. Kingsley's account of a 'Christmas in the West Indies' is in every way worthy to be classed among his happiest productions."—STANDARD.

THE ROMAN AND THE TEUTON. A Series of Lectures delivered before the University of Cambridge. New and Cheaper Edition, with Preface by Professor MAX MULLER. Crown 8vo. 6s.

PLAYS AND PURITANS, and other Historical Essays. With Portrait of Sir WALTER RALEIGH. Second Edition. Crown 8vo. 5s.

In addition to the Essay mentioned in the title, this volume contains other two—one on "Sir Walter Raleigh and his Time," and one on Froude's "History of England."

Kingsley (Henry).—**TALES OF OLD TRAVEL.** Re-narrated by HENRY KINGSLEY, F.R.G.S. With Eight Illustrations by HUARD. Fifth Edition. Crown 8vo. 6s.

"We know no better book for those who want knowledge or seek to refresh it. As for the 'sensational,' most novels are tame compared with these narratives."—ATHENÆUM.

Laocoon.—Translated from the Text of Lessing, with Preface and Notes by the Right Hon. SIR ROBERT J. PHILLIMORE, D.C.L. With Photographs. 8vo. 12s.

Leonardo da Vinci and his Works.—Consisting of a Life of Leonardo Da Vinci, by MRS. CHARLES W. HEATON, Author of "Albrecht Dürer of Nürnberg," &c., an Essay on his Scientific and Literary Works by CHARLES CHRISTOPHER BLACK, M.A., and an account of his more important Paintings and Drawings. Illustrated with Permanent Photographs. Royal 8vo. cloth, extra gilt. 31s. 6d.

"A beautiful volume, both without and within. Messrs. Macmillan are conspicuous among publishers for the choice binding and printing of their books, and this is got up in their best style. . . . No English publication that we know of has so thoroughly and attractively collected together all that is known of Leonardo."—TIMES.

Liechtenstein.—HOLLAND HOUSE. By Princess MARIE LIECHTENSTEIN. With Five Steel Engravings by C. H. JEENS, after Paintings by WATTS and other celebrated Artists, and numerous Illustrations drawn by Professor P. H. DELAMOTTE, and engraved on Wood by J. D. COOPER, W. PALMER, and JEWITT & Co. Third and Cheaper Edition. Medium 8vo. cloth elegant. 16s.

Also, an Edition containing, in addition to the above, about 40 Illustrations by the Woodbury-type process, and India Proofs of the Steel Engravings. Two vols. medium 4to. half morocco elegant. 4l. 4s.

"When every strictly just exception shall have been taken, she may be conscientiously congratulated by the most scrupulous critic on the production of a useful, agreeable, beautifully-illustrated, and attractive book."—TIMES. *"It would take up more room than we can spare to enumerate all the interesting suggestions and notes which are to be found in these volumes. . . . The woodcuts are admirable, and some of the autographs are very interesting."*—PALL MALL GAZETTE.

Lloyd.—THE AGE OF PERICLES. A History of the Arts and Politics of Greece from the Persian to the Peloponnesian War. By W. WATKISS LLOYD. Two Vols. 8vo. 21s

"No such account of Greek art of the best period has yet been brought together in an English work. . . . Mr. Lloyd has produced a book of unusual excellence and interest."—PALL MALL GAZETTE.

Macarthur.—HISTORY OF SCOTLAND, By MARGARET MACARTHUR. Being the Third Volume of the Historical Course for Schools, Edited by EDWARD A. FREEMAN, D.C.L. Second Edition. 18mo. 2s.

"It is an excellent summary, unimpeachable as to facts, and putting them in the clearest and most impartial light attainable."—GUARDIAN. *"No previous History of Scotland of the same bulk is anything like so trustworthy, or deserves to be so extensively used as a text-book."*—GLOBE.

16 **MACMILLAN'S CATALOGUE OF WORKS IN**

Macmillan (Rev. Hugh).—For other Works by same Author, see THEOLOGICAL and SCIENTIFIC CATALOGUES.

HOLIDAYS ON HIGH LANDS ; or, Rambles and Incidents in search of Alpine Plants. Second Edition, revised and enlarged. Globe 8vo. cloth. 6s.

"Botanical knowledge is blended with a love of nature, a pious enthusiasm, and a rich felicity of diction not to be met with in any works of kindred character, if we except those of Hugh Miller."—TELEGRAPH.
"Mr. Macmillan's glowing pictures of Scandinavian scenery."—SATURDAY REVIEW.

Macready.—MACREADY'S REMINISCENCES AND SELECTIONS FROM HIS DIARIES AND LETTERS. Edited by Sir F. POLLOCK, Bart., one of his Executors. With Four Portraits engraved by JEENS. New and Cheaper Edition. Crown 8vo. 7s. 6d.

"As a careful and for the most part just estimate of the stage during a very brilliant period, the attraction of these volumes can scarcely be surpassed. . . . Readers who have no special interest in theatrical matters, but enjoy miscellaneous gossip, will be allured from page to page, attracted by familiar names and by observations upon popular actors and authors."—SPECTATOR.

Mahaffy.—Works by the Rev. J. P. MAHAFFY, M.A., Fellow of Trinity College, Dublin :—

SOCIAL LIFE IN GREECE FROM HOMER TO MENANDER. Third Edition, revised and enlarged, with a new chapter on Greek Art. Crown 8vo. 9s.

"It should be in the hands of all who desire thoroughly to understand and to enjoy Greek literature, and to get an intelligent idea of the old Greek life, political, social, and religious."—GUARDIAN.

RAMBLES AND STUDIES IN GREECE. With Illustrations. Crown 8vo. New and enlarged Edition in the Press.

"A singularly instructive and agreeable volume."—ATHENÆUM.

Margary.—THE JOURNEY OF AUGUSTUS RAYMOND MARGARY FROM SHANGHAI TO BHAMO AND BACK TO MANWYNE. From his Journals and Letters, with a brief Biographical Preface, a concluding chapter by Sir RUTHERFORD ALCOCK, K.C.B., and a Steel Portrait engraved by JEENS, and Map. 8vo. 10s. 6d.

"There is a manliness, a cheerful spirit, an inherent vigour which was never overcome by sickness or debility, a tact which conquered the prejudices of a strange and suspicious population, a quiet self-reliance, always combined with deep religious feeling, unalloyed by either priggishness, cant, or superstition, that ought to commend this volume to readers sitting quietly at home who feel any pride in the high estimation accorded to men of their race at Yarkand or at Khiva, in the heart of Africa, or on the shores of Lake Seri-kul."—SATURDAY REVIEW.

Martin.—THE HISTORY OF LLOYD'S, AND OF MARINE INSURANCE IN GREAT BRITAIN. With an Appendix containing Statistics relating to Marine Insurance. By FREDERICK MARTIN, Author of "The Statesman's Year Book." 8vo. 14s.

"We have in the editor of the 'Statesman's Year Book' an industrious and conscientious guide, and we can certify that in his 'History of Lloyd's' he has produced a work of more than passing interest."—TIMES.

Martineau.—BIOGRAPHICAL SKETCHES, 1852—1875. By HARRIET MARTINEAU. With Additional Sketches, and Autobiographical Sketch. Fifth Edition. Crown 8vo. 6s.

"Miss Martineau's large literary powers and her fine intellectual training make these little sketches more instructive, and constitute them more genuinely works of art, than many more ambitious and diffuse biographies."—FORTNIGHTLY REVIEW.

Masson (David).—For other Works by same Author, see PHILOSOPHICAL and BELLES LETTRES CATALOGUES.

CHATTERTON : A Story of the Year 1770. By DAVID MASSON, LL.D., Professor of Rhetoric and English Literature in the University of Edinburgh. Crown 8vo. 5s.

"One of this popular writer's best essays on the English poets."—STANDARD.

THE THREE DEVILS : Luther's, Goethe's, and Milton's ; and other Essays. Crown 8vo. 5s.

WORDSWORTH, SHELLEY, AND KEATS ; and other Essays. Crown 8vo. 5s.

Maurice.—THE FRIENDSHIP OF BOOKS ; AND OTHER LECTURES. By the REV. F. D. MAURICE. Edited with Preface, by THOMAS HUGHES, Q.C. Crown 8vo. 10s. 6d.

"The high, pure, sympathetic, and truly charitable nature of Mr. Maurice is delightfully visible throughout these lectures, which are excellently adapted to spread a love of literature amongst the people."—DAILY NEWS.

Mayor (J. E. B.)—WORKS edited by JOHN E. B. MAYOR, M.A., Kennedy Professor of Latin at Cambridge :—

CAMBRIDGE IN THE SEVENTEENTH CENTURY. Part II. Autobiography of Matthew Robinson. Fcap. 8vo. 5s. 6d.

LIFE OF BISHOP BEDELL. By his SON. Fcap. 8vo. 3s. 6d.

Melbourne.—MEMOIRS OF THE RT. HON. WILLIAM, SECOND VISCOUNT MELBOURNE. By W. M. TORRENS, M.P. With Portrait after Sir. T. Lawrence. 2 Vols. 8vo. 32s.

"As might be expected, he has produced a book which will command and reward attention. It contains a great deal of valuable matter and a great deal of animated, elegant writing."—QUARTERLY REVIEW.

Mendelssohn.—LETTERS AND RECOLLECTIONS. By FERDINAND HILLER. Translated by M. E. VON GLEHN. With Portrait from a Drawing by KARL MÜLLER, never before published. Second Edition. Crown 8vo. 7s. 6d.

"This is a very interesting addition to our knowledge of the great German composer. It reveals him to us under a new light, as the warm-hearted comrade, the musician whose soul was in his work, and the home-loving, domestic man."—STANDARD.

Merewether.—BY SEA AND BY LAND. Being a Trip through Egypt, India, Ceylon, Australia, New Zealand, and America—all Round the World. By HENRY ALWORTH MEREWETHER, one of Her Majesty's Counsel. Crown 8vo. 8s. 6d.

Michael Angelo Buonarrotti; Sculptor, Painter, Architect. The Story of his Life and Labours. By C. C. BLACK, M.A. Illustrated by 20 Permanent Photographs Royal 8vo. cloth elegant, 31s. 6d.

"The story of Michael Angelo's life remains interesting whatever be the manner of telling it, and supported as it is by this beautiful series of photographs, the volume must take rank among the most splendid of Christmas books, fitted to serve and to outlive the season."—FALL MALL GAZETTE.

Michelet.—A SUMMARY OF MODERN HISTORY. Translated from the French of M. MICHELET, and continued to the present time by M. C. M. SIMPSON. Globe 8vo. 4s. 6d.

"We are glad to see one of the ablest and most useful summaries of European history put into the hands of English readers. The translation is excellent."—STANDARD.

Milton.—LIFE OF JOHN MILTON. Narrated in connection with the Political, Ecclesiastical, and Literary History of his Time. By DAVID MASSON, M.A., LL.D., Professor of Rhetoric and English Literature in the University of Edinburgh. With Portraits. Vol. I. 18s. Vol. II., 1638—1643. 8vo. 16s. Vol. III. 1643—1649. 8vo. 18s. Vols. IV. and V. 1649—1660. 32s.

This work is not only a Biography, but also a continuous Political, Ecclesiastical, and Literary History of England through Milton's whole time.

Mitford (A. B.)—TALES OF OLD JAPAN. By A. B. MITFORD, Second Secretary to the British Legation in Japan. With upwards of 30 Illustrations, drawn and cut on Wood by Japanese Artists. New and Cheaper Edition. Crown 8vo. 6s.

"These very original volumes will always be interesting as memorials of a most exceptional society, while regarded simply as tales, they are sparkling, sensational, and dramatic, and the originality of their idea

and the quaintness of their language give them a most captivating piquancy. The illustrations are extremely interesting, and for the curious in such matters have a special and particular value."—PALL MALL GAZETTE.

Monteiro.—ANGOLA AND THE RIVER CONGO. By JOACHIM MONTEIRO. With numerous Illustrations from Sketches taken on the spot, and a Map. Two Vols. crown 8vo. 21s.
"Gives the first detailed account of a part of tropical Africa which is little known to Englishmen. . . . The remarks on the geography and zoology of the country and the manners and customs of the various races inhabiting it, are extremely curious and interesting."—SATURDAY REVIEW. *"Full of valuable information and much picturesque description."* PALL MALL GAZETTE.

Morison.—THE LIFE AND TIMES OF SAINT BERNARD, Abbot of Clairvaux. By JAMES COTTER MORISON, M.A. New Edition. Crown 8vo. 6s.

The PALL MALL GAZETTE calls this "A delightful and instructive volume, and one of the best products of the modern historic spirit."

Napoleon.—THE HISTORY OF NAPOLEON I. By P. LANFREY. A Translation with the sanction of the Author. Vols. I. II. and III. 8vo. price 12s. each.

The PALL MALL GAZETTE says it is "one of the most striking pieces of historical composition of which France has to boast," and the SATURDAY REVIEW calls it "an excellent translation of a work on every ground deserving to be translated. It is unquestionably and immeasurably the best that has been produced. It is in fact the only work to which we can turn for an accurate and trustworthy narrative of that extraordinary career. . . . The book is the best and indeed the only trustworthy history of Napoleon which has been written."

Nichol.—TABLES OF EUROPEAN LITERATURE AND HISTORY, A.D. 200—1876. By J. NICHOL, LL.D., Professor of English Language and Literature, Glasgow. 4to. 6s. 6d.

TABLES OF ANCIENT LITERATURE AND HISTORY, B.C. 1500—A.D. 200. By the same Author. 4to. 4s. 6d.

Oliphant (Mrs.).—THE MAKERS OF FLORENCE: Dante Giotto, Savonarola, and their City. By Mrs. OLIPHANT. With numerous Illustrations from drawings by Professor DELAMOTTE, and portrait of Savonarola, engraved by J. KENS. Second Edition. Medium 8vo. Cloth extra. 21s.

"Mrs. Oliphant has made a beautiful addition to the mass of literature already piled round the records of the Tuscan capital."—TIMES.

20 MACMILLAN'S CATALOGUE OF WORKS IN

"We are grateful to Mrs. Oliphant for her eloquent and beautiful sketches of Dante, Fra Angelico, and Savonarola. They are picturesque, full of life, and rich in detail, and they are charmingly illustrated by the art of the engraver."—SPECTATOR.

Oliphant.—THE DUKE AND THE SCHOLAR; and other Essays. By T. L. KINGTON OLIPHANT. 8vo. 7s. 6d.

"This volume contains one of the most beautiful biographical essays we have seen since Macaulay's days."—STANDARD.

Otte.—SCANDINAVIAN HISTORY. By E. C. OTTE. With Maps. Extra fcap. 8vo. 6s.

"We have peculiar pleasure in recommending this intelligent résumé of Northern history as a book essential to every Englishman who interests himself in Scandinavia."—SPECTATOR.

Owens College Essays and Addresses.—By PROFESSORS AND LECTURERS OF OWENS COLLEGE, MANCHESTER. Published in Commemoration of the Opening of the New College Buildings, October 7th, 1873. 8vo. 14s.

Palgrave (Sir F.)—HISTORY OF NORMANDY AND OF ENGLAND. By Sir FRANCIS PALGRAVE, Deputy Keeper of Her Majesty's Public Records. Completing the History to the Death of William Rufus. Vols. II.—IV. 21s. each.

Palgrave (W. G.)—A NARRATIVE OF A YEAR'S JOURNEY THROUGH CENTRAL AND EASTERN ARABIA, 1862-3. By WILLIAM GIFFORD PALGRAVE, late of the Eighth Regiment Bombay N. I. Sixth Edition. With Maps, Plans, and Portrait of Author, engraved on steel by Jeens. Crown 8vo. 6s.

"He has not only written one of the best books on the Arabs and one of the best books on Arabia, but he has done so in a manner that must command the respect no less than the admiration of his fellow-countrymen."—FORTNIGHTLY REVIEW.

ESSAYS ON EASTERN QUESTIONS. By W. GIFFORD PALGRAVE. 8vo. 10s. 6d.

"These essays are full of anecdote and interest. The book is decidedly a valuable addition to the stock of literature on which men must base their opinion of the difficult social and political problems suggested by the designs of Russia, the capacity of Mahometans for sovereignty, and the good government and retention of India."—SATURDAY REVIEW.

DUTCH GUIANA. With Maps and Plans. 8vo. 9s.

"His pages are nearly exhaustive as far as facts and statistics go, while they are lightened by graphic social sketches as well as sparkling descriptions of scenery."—SATURDAY REVIEW.

Patteson.—LIFE AND LETTERS OF JOHN COLERIDGE PATTESON, D.D., Missionary Bishop of the Melanesian Islands. By CHARLOTTE M. YONGE, Author of "The Heir of Redclyffe." With Portraits after RICHMOND and from Photograph, engraved by JEENS. With Map. Fifth Edition. Two Vols. Crown 8vo. 12s.

"Miss Yonge's work is in one respect a model biography. It is made up almost entirely of Patteson's own letters. Aware that he had left his home once and for all, his correspondence took the form of a diary, and as we read on we come to know the man, and to love him almost as if we had seen him."—ATHENÆUM. "Such a life, with its grand lessons of unselfishness, is a blessing and an honour to the age in which it is lived; the biography cannot be studied without pleasure and profit, and indeed we should think little of the man who did not rise from the study of it better and wiser. Neither the Church nor the nation which produces such sons need ever despair of its future."—SATURDAY REVIEW.

Pauli.—PICTURES OF OLD ENGLAND. By Dr. REINHOLD PAULI. Translated, with the approval of the Author, by E. C. OTTÉ. Cheaper Edition. Crown 8vo. 6s.

Payne.—A HISTORY OF EUROPEAN COLONIES. By E. J. PAYNE, M.A. With Maps. 18mo. 4s. 6d.

The Times says:—"We have seldom met with a historian capable of forming a more comprehensive, far-seeing, and unprejudiced estimate of events and peoples, and we can commend this little work as one certain to prove of the highest interest to all thoughtful readers."

Persia.—EASTERN PERSIA. An Account of the Journeys of the Persian Boundary Commission, 1870-1-2.—Vol. I. The Geography, with Narratives by Majors ST. JOHN, LOVETT, and EVAN SMITH, and an Introduction by Major-General Sir FREDERIC GOLDSMID, C.B., K.C.S.I., British Commissioner and Arbitrator. With Maps and Illustrations.—Vol. II. The Zoology and Geology. By W. T. BLANFORD, A.R.S.M., F.R.S. With Coloured Illustrations. Two Vols. 8vo. 42s.

"The volumes largely increase our store of information about countries with which Englishmen ought to be familiar. . . . They throw into the shade all that hitherto has appeared in our tongue respecting the local features of Persia, its scenery, its resources, even its social condition. They contain also abundant evidence of English endurance, daring, and spirit."—TIMES.

Prichard.—THE ADMINISTRATION OF INDIA. From 1859 to 1868. The First Ten Years of Administration under the Crown. By I. T. PRICHARD, Barrister-at-Law. Two Vols. Demy 8vo. With Map. 21s.

22 *MACMILLAN'S CATALOGUE OF WORKS IN*

Raphael.—**RAPHAEL OF URBINO AND HIS FATHER GIOVANNI SANTI.** By J. D. PASSAVANT, formerly Director of the Museum at Frankfort. With Twenty Permanent Photographs. Royal 8vo. Handsomely bound. 31s. 6d.

The SATURDAY REVIEW says of them, "We have seen not a few elegant specimens of Mr. Woodbury's new process, but we have seen none that equal these."

Reynolds.—**SIR JOSHUA REYNOLDS AS A PORTRAIT PAINTER. AN ESSAY.** By J. CHURTON COLLINS, B.A. Balliol College, Oxford. Illustrated by a Series of Portraits of distinguished Beauties of the Court of George III.; reproduced in Autotype from Proof Impressions of the celebrated Engravings, by VALENTINE GREEN, THOMAS WATSON, F. R. SMITH, E. FISHER, and others. Folio half-morocco. £5 5s.

Robinson (H. Crabb).—**THE DIARY, REMINISCENCES, AND CORRESPONDENCE, OF HENRY CRABB ROBINSON, Barrister-at-Law.** Selected and Edited by THOMAS SADLER, Ph.D. With Portrait. Third and Cheaper Edition. Two Vols. Crown 8vo. 12s.

The DAILY NEWS says: "The two books which are most likely to survive change of literary taste, and to charm while instructing genera-
tion after generation, are the 'Diary' of Pepys and Boswell's 'Lif. of Johnson.' The day will come when to these many will add the 'Diary of Henry Crabb Robinson.' Excellences like those which render the personal revelations of Pepys and the observations of Boswell such pleasant reading abound in this work."

Rogers (James E. Thorold).—**HISTORICAL GLEANINGS: A Series of Sketches.** Montague, Walpole, Adam Smith, Cobbett. By Prof. ROGERS. Crown 8vo. 4s. 6d. Second Series. Wiklif, Laud, Wilkes, and Horne Tooke. Crown 8vo. 6s.

Routledge.—**CHAPTERS IN THE HISTORY OF POPULAR PROGRESS IN ENGLAND,** chiefly in Relation to the Freedom of the Press and Trial by Jury, 1660—1820. With application to later years. By J. ROUTLEDGE. 8vo. 16s.

"The volume abounds in facts and information, almost always useful and often curious."—TIMES.

Rumford.—**COUNT RUMFORD'S COMPLETE WORKS,** with Memoir, and Notices of his Daughter. By GEORGE ELLIS. Five Vols. 8vo. 4l. 14s. 6d.

Seeley (Professor).—**LECTURES AND ESSAYS.** By J. R. SEELEY, M.A. Professor of Modern History in the University of Cambridge. 8vo. 10s. 6d.

CONTENTS:—*Roman Imperialism*: 1. *The Great Roman Revolution*; 2. *The Proximate Cause of the Fall of the Roman Empire*;

The Later Empire.—Milton's Political Opinions—Milton's Poetry—Elementary Principles in Art—Liberal Education in Universities—English in Schools—The Church as a Teacher of Morality—The Teaching of Politics: an Inaugural Lecture delivered at Cambridge.

Shelburne.—LIFE OF WILLIAM, EARL OF SHELBURNE, AFTERWARDS FIRST MARQUIS OF LANSDOWNE. With Extracts from his Papers and Correspondence. By Lord EDMOND FITZMAURICE. In Three Vols. 8vo. Vol. I. 1737—1766, 12s.; Vol. II. 1766—1776, 12s.; Vol. III. 1776—1805. 16s.

"Lord Edmond Fitzmaurice has succeeded in placing before us a wealth of new matter, which, while casting valuable and much-needed light on several obscure passages in the political history of a hundred years ago, has enabled us for the first time to form a clear and consistent idea of his ancestor."—SPECTATOR.

Sime.—HISTORY OF GERMANY. By JAMES SIME, M.A. 18mo. 3s. Being Vol. V. of the Historical Course for Schools. Edited by EDWARD A. FREEMAN, D.C.L.

"This is a remarkably clear and impressive History of Germany. Its great events are wisely kept as central figures, and the smaller events are carefully kept not only subordinate and subservient, but most skilfully woven into the texture of the historical tapestry presented to the eye."—STANDARD.

Squier.—PERU: INCIDENTS OF TRAVEL AND EXPLORATION IN THE LAND OF THE INCAS. By E. G. SQUIER, M.A., F.S.A., late U.S. Commissioner to Peru. 8vo. With 300 Illustrations. 21s.

The TIMES says:—"No more solid and trustworthy contribution has been made to an accurate knowledge of what are among the most wonderful ruins in the world. . . . The work is really what its title implies. While of the greatest importance as a contribution to Peruvian archaeology, it is also a thoroughly entertaining and instructive narrative of travel. . . . Not the least important feature must be considered the numerous well executed illustrations."

Strangford.—EGYPTIAN SHRINES AND SYRIAN SEPULCHRES, including a Visit to Palmyra. By EMILY A. BEAUFORT (Viscountess Strangford), Author of "The Eastern Shores of the Adriatic." New Edition. Crown 8vo. 7s. 6d.

Thomas.—THE LIFE OF JOHN THOMAS, Surgeon of the "Earl of Oxford" East Indiaman, and First Baptist Missionary to Bengal. By C. B. LEWIS, Baptist Missionary. 8vo. 10s. 6d.

Thompson.—HISTORY OF ENGLAND. By EDITH THOMPSON. Being Vol. II. of the Historical Course for Schools, Edited by EDWARD A. FREEMAN, D.C.L. New Edition. 18mo. 2s. 6d.

"Freedom from prejudice, simplicity of style, and accuracy of statement, are the characteristics of this volume. It is a trustworthy text-book, and likely to be generally serviceable in schools."—PALL MALL GAZETTE.

"In its great accuracy and correctness of detail it stands far ahead of the general run of school manuals. Its arrangement, too, is clear, and its style simple and straightforward."—SATURDAY REVIEW.

Todhunter.—THE CONFLICT OF STUDIES; AND OTHER ESSAYS ON SUBJECTS CONNECTED WITH EDUCATION. By ISAAC TODHUNTER, M.A., F.R.S., late Fellow and Principal Mathematical Lecturer of St. John's College, Cambridge. 8vo. 10s. 6d.

CONTENTS:—I. *The Conflict of Studies.* II. *Competitive Examinations.* III. *Private Study of Mathematics.* IV. *Academical Reform.* V. *Elementary Geometry.* VI. *The Mathematical Tripos.*

Trench (Archbishop).—For other Works by the same Author, see THEOLOGICAL and BELLES LETTRES CATALOGUES, and page 30 of this Catalogue.

GUSTAVUS ADOLPHUS IN GERMANY, and other Lectures on the Thirty Years' War. Second Edition, revised and enlarged. Fcap. 8vo. 4s.

PLUTARCH, HIS LIFE, HIS LIVES, AND HIS MORALS. Five Lectures. Second Edition, enlarged. Fcap. 8vo. 3s. 6d.

LECTURES ON MEDIÆVAL CHURCH HISTORY. Being the substance of Lectures delivered in Queen's College, London 8vo. 12s.

Trench (Maria).—THE LIFE OF ST. TERESA. By MARIA TRENCH. With Portrait engraved by JEENS. Crown 8vo. cloth extra. 8s. 6d.

"A book of rare interest."—JOHN BULL.

Trench (Mrs. R.).—REMAINS OF THE LATE MRS. RICHARD TRENCH. Being Selections from her Journals, Letters, and other Papers. Edited by ARCHBISHOP TRENCH. New and Cheaper Issue, with Portrait. 8vo. 6s.

Trollope.—A HISTORY OF THE COMMONWEALTH OF FLORENCE FROM THE EARLIEST INDEPENDENCE OF THE COMMUNE TO THE FALL OF THE REPUBLIC IN 1831. By T. ADOLPHUS TROLLOPE. 4 Vols. 8vo. Half morocco. 21s.

Wallace.—THE MALAY ARCHIPELAGO : the Land of the Orang Utan and the Bird of Paradise. By ALFRED RUSSEL WALLACE. A Narrative of Travel with Studies of Man and Nature. With Maps and numerous Illustrations. Fifth Edition. Crown 8vo. 7s. 6d.

"The result is a vivid picture of tropical life, which may be read with unflagging interest, and a sufficient account of his scientific conclusions to stimulate our appetite without wearying us by detail. In short, we may safely say that we have never read a more agreeable book of its kind."—SATURDAY REVIEW.

Waller.—SIX WEEKS IN THE SADDLE : A PAINTER'S JOURNAL IN ICELAND. By S. E. WALLER. With Illustrations by the Author. Crown 8vo. 6s.

"An exceedingly pleasant and naturally written little book. . . . Mr. Waller has a clever pencil, and the text is well illustrated with his own sketches."—TIMES. *"A very lively and readable book."*—ATHENÆUM. *"A bright little book, admirably illustrated."*—SPECTATOR.

Ward.—A HISTORY OF ENGLISH DRAMATIC LITERATURE TO THE DEATH OF QUEEN ANNE. By A. W. WARD, M.A., Professor of History and English Literature in Owens College, Manchester. Two Vols. 8vo. 32s.

"As full of interest as of information. To students of dramatic literature invaluable, and may be equally recommended to readers for mere pastime."—PALL MALL GAZETTE.

Ward (J.)—EXPERIENCES OF A DIPLOMATIST. Being recollections of Germany founded on Diaries kept during the years 1840—1870. By JOHN WARD, C.B., late H.M. Minister-Resident to the Hanse Towns. 8vo. 10s. 6d.

Wedgwood.—JOHN WESLEY AND THE EVANGELICAL REACTION of the Eighteenth Century. By JULIA WEDGWOOD. Crown 8vo. 8s. 6d.

"In style and intellectual power, in breadth of view and clearness of insight, Miss Wedgwood's book far surpasses all rivals."—ATHENÆUM.

Whewell.—WILLIAM WHEWELL, D.D., late Master of Trinity College, Cambridge. An Account of his Writings, with Selections from his Literary and Scientific Correspondence. By I. TODHUNTER, M.A., F.R.S. Two Vols. 8vo. 25s.

White.—THE NATURAL HISTORY AND ANTIQUITIES OF SELBORNE. By GILBERT WHITE. Edited, with Memoir and Notes, by FRANK BUCKLAND, A Chapter on Antiquities by LORD SELBORNE, Map, &c., and numerous Illustrations by P. H. DELAMOTTE. Royal 8vo. Cloth, extra gilt. Cheaper Issue. 21s.

Also a Large Paper Edition, containing, in addition to the above, upwards of Thirty Woodburytype Illustrations from Drawings by Prof. DELAMOTTE. Two Vols. 4to. Half morocco, elegant. 4l. 4s.

"Mr. Delamotte's charming illustrations are a worthy decoration of so dainty a book. They bring Selborne before us, and really help us to understand why White's love for his native place never grew cold."—TIMES.

Wilson.—A MEMOIR OF GEORGE WILSON, M.D., F.R.S.E., Regius Professor of Technology in the University of Edinburgh. By his SISTER. New Edition. Crown 8vo. 6s.

"An exquisite and touching portrait of a rare and beautiful spirit."—GUARDIAN.

Wilson (Daniel, LL.D.)—Works by DANIEL WILSON, LL.D., Professor of History and English Literature in University College, Toronto :—

PREHISTORIC ANNALS OF SCOTLAND. New Edition, with numerous Illustrations. Two Vols. demy 8vo. 36s.

"One of the most interesting, learned, and elegant works we have seen for a long time."—WESTMINSTER REVIEW.

PREHISTORIC MAN : Researches into the Origin of Civilization in the Old and New World. New Edition, revised and enlarged throughout, with numerous Illustrations and two Coloured Plates. Two Vols. 8vo. 36s.

"A valuable work pleasantly written and well worthy of attention both by students and general readers."—ACADEMY.

CHATTERTON : A Biographical Study. By DANIEL WILSON, LL.D., Professor of History and English Literature in University College, Toronto. Crown 8vo. 6s. 6d.

Wyatt (Sir M. Digby).—FINE ART : a Sketch of its History, Theory, Practice, and application to Industry. A Course of Lectures delivered before the University of Cambridge. By Sir M. DIGBY WYATT, M.A. Slade Professor of Fine Art. Cheaper Issue. 8vo. 5s.

"An excellent handbook for the student of art."—GRAPHIC. "The book abounds in valuable matter, and will therefore be read with pleasure and profit by lovers of art."—DAILY NEWS.

Yonge (Charlotte M.)—Works by CHARLOTTE M. YONGE, Author of "The Heir of Redclyffe," &c. &c. :—

A PARALLEL HISTORY OF FRANCE AND ENGLAND : consisting of Outlines and Dates. Oblong 4to. 3s. 6d.

CAMEOS FROM ENGLISH HISTORY. From Rollo to Edward II. Extra fcap. 8vo. Third Edition. 5s.

A SECOND SERIES, THE WARS IN FRANCE. Extra fcap. 8vo. Third Edition. 5s.

A THIRD SERIES, THE WARS OF THE ROSES. Extra fcap. 8vo. 5s.

"Instead of dry details," says the NONCONFORMIST, "we have living pictures, faithful, vivid, and striking."

Young (Julian Charles, M.A.)—A MEMOIR OF CHARLES MAYNE YOUNG, Tragedian, with Extracts from his Son's Journal. By JULIAN CHARLES YOUNG, M.A. Rector of Ilmington. With Portraits and Sketches. New and Cheaper Edition, Crown 8vo. 7s. 6d.

"In this budget of anecdotes, fables, and gossip, old and new, relative to Scott, Moore, Chalmers, Coleridge, Wordsworth, Croker, Mathews, the third and fourth Georges, Bowles, Beckford, Lockhart, Wellington, Peel, Louis Napoleon, D'Orsay, Dickens, Thackeray, Louis Blanc, Gibson, Constable, and Stanfield, &c. &c., the reader must be hard indeed to please who cannot find entertainment."—PALL MALL GAZETTE.

POLITICS, POLITICAL AND SOCIAL ECONOMY, LAW, AND KINDRED SUBJECTS.

Anglo Saxon Law.—ESSAYS IN. Contents: Law Courts—Land and Family Laws and Legal Procedure generally. With Select cases. Medium 8vo. 18s.

Bernard.—FOUR LECTURES ON SUBJECTS CONNECTED WITH DIPLOMACY. BY MONTAGUE BERNARD, M.A., Chichele Professor of International Law and Diplomacy, Oxford. 8vo. 9s.

"*Singularly interesting lectures, so able, clear, and attractive.*"—SPECTATOR.

Bright (John, M.P.)—SPEECHES ON QUESTIONS OF PUBLIC POLICY. By the Right Hon. JOHN BRIGHT, M.P. Edited by Professor THOROLD ROGERS. Author's Popular Edition. Globe 8vo. 3s. 6d.

"*Mr. Bright's speeches will always deserve to be studied, as an apprenticeship to popular and parliamentary oratory; they will form materials for the history of our time, and many brilliant passages, perhaps some entire speeches, will really become a part of the living literature of England.*"—DAILY NEWS.

LIBRARY EDITION. Two Vols. 8vo. With Portrait. 25s.

Cairnes.—Works by J. E. CAIRNES, M.A., Emeritus Professor of Political Economy in University College, London.

ESSAYS IN POLITICAL ECONOMY, THEORETICAL and APPLIED. By J. E. CAIRNES, M.A., Professor of Political Economy in University College, London. 8vo. 10s. 6d.

"*The production of one of the ablest of living economists.*"—*ATHENÆUM*.

POLITICAL ESSAYS. 8vo. 10s. 6d.

The SATURDAY REVIEW says:—"We recently expressed our high admiration of the former volume; and the present one is no less remarkable for the qualities of clear statement, sound logic, and candid treatment of opponents which were conspicuous in its predecessor. . . . We may safely say that none of Mr. Mill's many disciples is a worthier representative of the best qualities of their master than Professor Cairnes."

SOME LEADING PRINCIPLES OF POLITICAL ECONOMY NEWLY EXPOUNDED. 8vo. 14s.

CONTENTS:—Part I. Value. Part II. Labour and Capital. Part III. International Trade.

Cairnes.—continued.

"A work which is perhaps the most valuable contribution to the science made since the publication, a quarter of a century since, of Mr. Mill's 'Principles of Political Economy.'"—DAILY NEWS.

THE CHARACTER AND LOGICAL METHOD OF POLITICAL ECONOMY. New Edition, enlarged. 8vo. 7s. 6d.

"These lectures are admirably fitted to correct the slipshod generalizations which pass current as the science of Political Economy."—TIMES.

Clarke.—EARLY ROMAN LAW. THE REGAL PERIOD. By E. C. CLARKE, M.A., of Lincoln's Inn, Barrister-at-Law, Lecturer in Law and Regius Professor of Civil Law at Cambridge. Crown 8vo. 5s.

"Mr. Clarke has brought together a great mass of valuable matter in an accessible form."—SATURDAY REVIEW.

Cobden (Richard).—SPEECHES ON QUESTIONS OF PUBLIC POLICY. By RICHARD COBDEN. Edited by the Right Hon. John Bright, M.P., and J. E. Thorold Rogers. Popular Edition. 8vo. 3s. 6d.

Fawcett.—Works by HENRY FAWCETT, M.A., M.P., Fellow of Trinity Hall, and Professor of Political Economy in the University of Cambridge :—

THE ECONOMIC POSITION OF THE BRITISH LABOURER. Extra fcap. 8vo. 5s.

MANUAL OF POLITICAL ECONOMY. Fifth Edition, with New Chapters on the Depreciation of Silver, etc. Crown 8vo. 12s.

The DAILY NEWS says: "It forms one of the best introductions to the principles of the science, and to its practical applications in the problems of modern, and especially of English, government and society."

PAUPERISM: ITS CAUSES AND REMEDIES. Crown 8vo. 5s. 6d.

The ATHENÆUM calls the work "a repertory of interesting and well digested information."

SPEECHES ON SOME CURRENT POLITICAL QUESTIONS. 8vo. 10s. 6d.

"They will help to educate, not perhaps, parties, but the educators of parties."—DAILY NEWS.

ESSAYS ON POLITICAL AND SOCIAL SUBJECTS. By PROFESSOR FAWCETT, M.P., and MILLICENT GARRETT, FAWCETT. 8vo. 10s. 6d.

"They will all repay the perusal of the thinking reader."—DAILY NEWS.

Fawcett (Mrs.)—Works by M^LLICENT GARRETT FAWCETT.
POLITICAL ECONOMY FOR BEGINNERS. WITH QUESTIONS. New Edition. 18mo. 2s. 6d.

The DAILY NEWS calls it "clear, compact, and comprehensive;" and *the SPECTATOR* says, "Mrs. Fawcett's treatise is perfectly suited to its purpose."

TALES IN POLITICAL ECONOMY. Crown 8vo. 3s.

"The idea is a good one, and it is quite wonderful what a mass of economic teaching the author manages to compress into a small space... The true doctrines of International Trade, Currency, and the ratio between Production and Population, are set before us and illustrated in a masterly manner."—*ATHENÆUM*.

Freeman (E. A.), M.A., D.C.L.—**COMPARATIVE POLITICS.** Lectures at the Royal Institution, to which is added "The Unity of History," being the Rede Lecture delivered at Cambridge in 1872. 8vo. 14s.

"We find in Mr. Freeman's new volume the same sound, careful, comprehensive qualities which have long ago raised him to so high a place amongst historical writers. For historical discipline, then, as well as historical information, Mr. Freeman's book is full of value."—*PALL MALL GAZETTE*.

Goschen.—**REPORTS AND SPEECHES ON LOCAL TAXATION.** By GEORGE J. GOSCHEN, M.P. Royal 8vo. 5s.

"The volume contains a vast mass of information of the highest value."—*ATHENÆUM*.

Guide to the Unprotected, in Every Day Matters Relating to Property and Income. By a **BANKER'S DAUGHTER.** Fourth Edition, Revised. Extra fcap. 8vo. 3s. 6d.

"Many an unprotected female will bless the head which planned and the hand which compiled this admirable little manual. . . . This book was very much wanted, and it could not have been better done."—*MORNING STAR*.

Harwood.—**DISESTABLISHMENT:** a Defence of the Principle of a National Church. By GEORGE HARWOOD, M.A. 8vo. 12s.

Hill.—**HOMES OF THE LONDON POOR.** By OCTAVIA HILL. Extra fcap. 8vo. 3s. 6d.

"She is clear, practical, and definite."—*GLOBE*.

Historicus.—**LETTERS ON SOME QUESTIONS OF INTERNATIONAL LAW.** Reprinted from the *Times*, with considerable Additions. 8vo. 7s. 6d. Also, **ADDITIONAL LETTERS.** 8vo. 2s. 6d.

Holland.—THE TREATY RELATIONS OF RUSSIA AND TURKEY FROM 1774 TO 1853. A Lecture delivered at Oxford, April 1877. By T. E. HOLLAND, D.C.L., Professor of International Law and Diplomacy, Oxford. Crown 8vo. 2s.

Jevons.—Works by W. STANLEY JEVONS, M.A., Professor of Political Economy in University College, London. (For other Works by the same Author, see EDUCATIONAL and PHILOSOPHICAL CATALOGUES.)

THE COAL QUESTION: An Inquiry Concerning the Progress of the Nation, and the Probable Exhaustion of our Coal Mines. Second Edition, revised. 8vo. 10s. 6d.

THE THEORY OF POLITICAL ECONOMY. 8vo. 9s.

"Professor Jevons has done invaluable service by courageously claiming political economy to be strictly a branch of Applied Mathematics."
—WESTMINSTER REVIEW.

Laveleye.—PRIMITIVE PROPERTY. By EMILE DE LAVELEYE. Translated by G. R. L. MARRIOTT, LL.B., with an Introduction by T. E. CLIFFE LESLIE, LL.B. 8vo. 12s.

Leading Cases done into English. By an APPRENTICE OF LINCOLN'S INN. Third Edition. Crown 8vo. 2s. 6d.

"Here is a rare treat for the lovers of quaint conceits, who in reading this charming little book will find enjoyment in the varied metre and graphic language in which the several tales are told, no less than in the accurate and pithy rendering of some of our most familiar 'Leading Cases.'"—SATURDAY REVIEW.

Macdonell.—THE LAND QUESTION, WITH SPECIAL REFERENCE TO ENGLAND AND SCOTLAND. By JOHN MACDONELL, Barrister-at-Law. 8vo. 10s. 6d.

Martin.—THE STATESMAN'S YEAR-BOOK: A Statistical and Historical Annual of the States of the Civilized World, for the year 1878. By FREDERICK MARTIN. Fifteenth Annual Publication. Revised after Official Returns. Crown 8vo. 10s. 6d.

The Statesman's Year-Book is the only work in the English language which furnishes a clear and concise account of the actual condition of all the States of Europe, the civilized countries of America, Asia, and Africa, and the British Colonies and Dependencies in all parts of the world. The new issue of the work has been revised and corrected, on the basis of official reports received direct from the heads of the leading Governments of the world, in reply to letters sent to them by the Editor. Through

the valuable assistance thus given, it has been possible to collect an amount of information, political, statistical, and commercial, of the latest date, and of unimpeachable trustworthiness, such as no publication of the same kind has ever been able to furnish. "As indispensable as Bradshaw."—TIMES.

Paterson.—THE LIBERTY OF THE SUBJECT AND THE LAWS OF ENGLAND RELATING TO THE SECURITY OF THE PERSON. Commentaries on. By JAMES PATERSON, M.A., Barrister at Law, sometime Commissioner for English and Irish Fisheries, etc. Two Vols. Crown 8vo. 32s.

"Two or three hours' dipping into these volumes, not to say reading them through, will give legislators and stump orators a knowledge of the liberty of a citizen of their country, in its principles, its fulness, and its modification, such as they probably in nine cases out of ten never had before."—SCOTSMAN.

Phillimore.—PRIVATE LAW AMONG THE ROMANS, from the Pandects. By JOHN GEORGE PHILLIMORE, Q.C. 8vo. 16s.

Rogers.—COBDEN AND POLITICAL OPINION. By J. E. THOROLD ROGERS. 8vo. 10s. 6d.

"Will be found most useful by politicians of every school, as it forms a sort of handbook to Cobden's teaching."—ATHENÆUM.

Smith.—THREE ENGLISH STATESMEN: PYM, CROMWELL, PITT. A Course of Lectures on the Political History of England. By Professor GOLDWIN SMITH. Extra fcap. 8vo. New and Cheaper Edition. 5s.

Stephen (C. E.)—THE SERVICE OF THE POOR; Being an Inquiry into the Reasons for and against the Establishment of Religious Sisterhoods for Charitable Purposes. By CAROLINE EMILIA STEPHEN. Crown 8vo. 6s. 6d.

"The ablest advocate of a better line of work in this direction that we have ever seen."—EXAMINER.

Stephen.—Works by Sir JAMES F. STEPHEN, K.C.S.I., Q.C. A DIGEST OF THE LAW OF EVIDENCE. Third Edition with New Preface. Crown 8vo. 6s.

A DIGEST OF THE CRIMINAL LAW. (Crimes and Punishments.) 8vo. 16s.

"We feel sure that any person of ordinary intelligence who had never looked into a law-book in his life might, by a few days' careful study of this volume, obtain a more accurate understanding of the criminal law,

a more perfect conception of its different bearings a more thorough and intelligent insight into its snares and pitfalls, than an ordinary practitioner can boast of after years of study of the ordinary text-books and practical experience of the Courts unassisted by any competent guide."—SATURDAY REVIEW.

Thornton.—Works by W. T. THORNTON, C.B., Secretary for Public Works in the India Office :—

ON LABOUR : Its Wrongful Claims and Rightful Dues ; Its Actual Present and Possible Future. Second Edition, revised, 8vo. 14s.

A PLEA FOR PEASANT PROPRIETORS : With the Outlines of a Plan for their Establishment in Ireland. New Edition, revised. Crown 8vo. 7s. 6d.

INDIAN PUBLIC WORKS AND COGNATE INDIAN TOPICS. With Map of Indian Railways. Crown 8vo. 8s. 6d.

Walker.—THE WAGES QUESTION. A Treatise on Wages and the Wages Class. By F. A. WALKER, M.A., Ph.D. Professor of Political Economy and History, Yale College. 8vo. 14s.

WORKS CONNECTED WITH THE SCIENCE OR THE HISTORY OF LANGUAGE.

Abbott.—A SHAKESPERIAN GRAMMAR : An Attempt to illustrate some of the Differences between Elizabethan and Modern English. By the Rev. E. A. ABBOTT, D.D., Head Master of the City of London School. New and Enlarged Edition. Extra fcap. 8vo. 6s.

"Valuable not only as an aid to the critical study of Shakespeare, but as tending to familiarise the reader with Elizabethan English in general."—ATHENÆUM.

Besant.—STUDIES IN EARLY FRENCH POETRY. By WALTER BESANT, M.A. Crown 8vo. 8s. 6d.

Breymann.—A FRENCH GRAMMAR BASED ON PHILOLOGICAL PRINCIPLES. By HERMANN BREYMAN, Ph.D., Professor of Philology in the University of Munich late Lecturer on French Language and Literature at Owens College, Manchester. Extra fcap. 8vo. 4s. 6d.

"We dismiss the work with every feeling of satisfaction. It cannot fail to be taken into use by all schools which endeavour to make the study of French a means towards the higher culture."—EDUCATIONAL TIMES.

Ellis.—PRACTICAL HINTS ON THE QUANTITATIVE PRONUNCIATION OF LATIN, FOR THE USE OF CLASSICAL TEACHERS AND LINGUISTS. By A. J. ELLIS, B.A., F.R.S., &c. Extra fcap. 8vo. 4s. 6d.

Fleay.—A SHAKESPEARE MANUAL. By the Rev. F. G. FLEAY, M.A., Head Master of Skipton Grammar School. Extra fcap. 8vo. 4s. 6d.

Goodwin.—SYNTAX OF THE GREEK MOODS AND TENSES. By W. W. GOODWIN, Professor of Greek Literature in Harvard University. New Edition. Crown 8vo. 6s. 6d.

Hadley.—ESSAYS PHILOLOGICAL AND CRITICAL. Selected from the Papers of JAMES HADLEY, LL.D., Professor of Greek in Yale College, &c. 8vo. 16s.

Hales.—LONGER ENGLISH POEMS. With Notes, Philological and Explanatory, and an Introduction on the Teaching of English. Chiefly for use in Schools. Edited by J. W. HALES, M.A., Professor of English Literature at King's College, London, &c. &c. Fifth Edition. Extra fcap. 8vo. 4s. 6d.

Helfenstein (James).—A COMPARATIVE GRAMMAR OF THE TEUTONIC LANGUAGES: Being at the same time a Historical Grammar of the English Language, and comprising Gothic, Anglo-Saxon, Early English, Modern English, Icelandic (Old Norse), Danish, Swedish, Old High German, Middle High German, Modern German, Old Saxon, Old Frisian, and Dutch. By JAMES HELFENSTEIN, Ph.D. 8vo. 18s.

Masson (Gustave).—A COMPENDIOUS DICTIONARY OF THE FRENCH LANGUAGE (French-English and English-French). Followed by a List of the Principal Diverging Derivations, and preceded by Chronological and Historical Tables. By GUSTAVE MASSON, Assistant-Master and Librarian, Harrow School. Fourth Edition. Crown 8vo. Half-bound. 6s.

"A book which any student, whatever may be the degree of his advancement in the language, would do well to have on the table close at hand while he is reading."—SATURDAY REVIEW.

Mayor.—A BIBLIOGRAPHICAL CLUE TO LATIN LITERATURE. Edited after Dr. E. HUBNER. With large Additions by JOHN E. B. MAYOR, M.A., Professor of Latin in the University of Cambridge. Crown 8vo. 6s. 6d.

"An extremely useful volume that should be in the hands of all scholars."—ATHENÆUM.

Morris.—Works by the Rev. RICHARD MORRIS, LL.D., Member of the Council of the Philol. Soc., Lecturer on English Language and Literature in King's College School, Editor of "Specimens of Early English," etc., etc.

HISTORICAL OUTLINES OF ENGLISH ACCIDENCE, comprising Chapters on the History and Development of the Language, and on Word-formation. Sixth Edition. Fcap. 8vo. 6s.

ELEMENTARY LESSONS IN HISTORICAL ENGLISH GRAMMAR, containing Accidence and Word-formation. Third Edition. 18mo. 2s. 6d.

Oliphant.—**THE SOURCES OF STANDARD ENGLISH.** By T. L. KINGTON OLIPHANT, of Balliol College, Oxford. Extra fcap. 8vo. 6s.

"*Mr. Oliphant's book is, to our mind, one of the ablest and most scholarly contributions to our standard English we have seen for many years.*"—SCHOOL BOARD CHRONICLE. "*The book comes nearer to a history of the English language than anything we have seen since such a history could be written, without confusion and contradictions.*"—SATURDAY REVIEW.

Peile (John, M.A.)—**AN INTRODUCTION TO GREEK AND LATIN ETYMOLOGY.** By JOHN PEILE, M.A., Fellow and Tutor of Christ's College, Cambridge. Third and revised Edition. Crown 8vo. 10s. 6d.

"*The book may be accepted as a very valuable contribution to the science of language.*"—SATURDAY REVIEW.

Philology.—**THE JOURNAL OF SACRED AND CLASSICAL PHILOLOGY.** Four Vols. 8vo. 12s. 6d. each.

THE JOURNAL OF PHILOLOGY. New Series. Edited by W. G. CLARK, M.A., JOHN E. B. MAYOR, M.A., and W. ALDIS WRIGHT, M.A. 4s. 6d. (Half-yearly.)

Roby (H. J.)—**A GRAMMAR OF THE LATIN LANGUAGE, FROM PLAUTUS TO SUETONIUS.** By HENRY JOHN ROBY, M.A., late Fellow of St. John's College, Cambridge. In Two Parts. Second Edition. Part I. containing:—Book I. Sounds. Book II. Inflexions. Book III. Word Formation. Appendices. Crown 8vo. 8s. 6d. Part II.—Syntax, Prepositions, &c. Crown 8vo. 10s. 6d.

"*The book is marked by the clear and practical insight of a master in his art. It is a book which would do honour to any country.*"—ATHENÆUM. "*Brings before the student in a methodical form the best results of modern philology bearing on the Latin language.*"—SCOTSMAN.

Taylor.—Works by the Rev. ISAAC TAYLOR, M.A.:—

ETRUSCAN RESEARCHES. With Woodcuts. 8vo. 14s.

The TIMES says:—"The learning and industry displayed in this volume deserve the most cordial recognition. The ultimate verdict of science we shall not attempt to anticipate; but we can safely say this, that it is a learned book which the unlearned can enjoy, and that in the descriptions of the tomb-builders, as well as in the marvellous coincidences and unexpected analogies brought together by the author, readers of every grade may take delight as well as philosophers and scholars."

WORDS AND PLACES; or, Etymological Illustrations of History, Ethnology, and Geography. By the Rev. ISAAC TAYLOR. Third Edition, revised and compressed. With Maps. Globe 8vo. 6s.

Trench.—Works by R. CHENEVIX TRENCH, D.D., Archbishop of Dublin. (For other Works by the same Author, see THEOLOGICAL CATALOGUE.)

SYNONYMS OF THE NEW TESTAMENT. Eighth Edition, enlarged. 8vo. cloth. 12s.

"He is," the ATHENÆUM says, "a guide in this department of knowledge to whom his readers may entrust themselves with confidence."

ON THE STUDY OF WORDS. Lectures Addressed (originally) to the Pupils at the Diocesan Training School, Winchester. Sixteenth Edition, enlarged. Fcap. 8vo. 5s.

ENGLISH PAST AND PRESENT. Tenth Edition, revised and improved. Fcap. 8vo. 5s.

A SELECT GLOSSARY OF ENGLISH WORDS USED FORMERLY IN SENSES DIFFERENT FROM THEIR PRESENT. Fourth Edition, enlarged. Fcap. 8vo. 4s.

Whitney.—A COMPENDIOUS GERMAN GRAMMAR. By W. D. WHITNEY, Professor of Sanskrit and Instructor in Modern Languages in Yale College. Crown 8vo. 6s.

"After careful examination we are inclined to pronounce it the best grammar of modern language we have ever seen."—SCOTSMAN.

Whitney and Edgren.—A COMPENDIOUS GERMAN AND ENGLISH DICTIONARY, with Notation of Correspondences and Brief Etymologies. By Professor W. D. WHITNEY, assisted by A. H. EDGREN. Crown 8vo. 7s. 6d.

Yonge.—HISTORY OF CHRISTIAN NAMES. By CHARLOTTE M. YONGE, Author of "The Heir of Redclyffe." Two Vols. Crown 8vo. 1l. 1s.





